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ABSTRACT

A study obtained information on examples of county or local Job Opportunities and Basic Skills (JOBS) or JOBS-like programs that emphasize job placement, subsidized employment, or work experience positions for welfare recipients. It also identified the extent to which county JOBS programs nationwide used these employment-focused activities and factors that hinder program administrators' efforts to move welfare recipients into jobs. Site visits were made to five welfare-to-work programs in California, New York, Ohio, and West Virginia that emphasized job placement activities, subsidized employment, or work experience programs. A survey was also conducted of a nationally representative random sample of 453 county JOBS program administrators in mid-1994. Programs that stressed the goal of employment for their participants and forged close links with employers showed promise in promoting work among welfare recipients. The five programs all shared that approach, although they differed in their methods. A majority of county JOBS programs across the nation did not have a strong employment focus. Most JOBS administrators cited insufficient staff as hindering their work with employers to help participants find work. They reported subsidizing employers could be more costly than other JOBS activities. A majority expressed interest in more flexible use of work experience programs. (The methodology and instrument are appended.) (YLB)

United States General Accounting Office

GAO

Report to the Ranking Minority Member, Committee on Finance, U.S. Senate

May 1995

WELFARE TO WORK

Most AFDC Training Programs Not Emphasizing Job Placement

ED 382 855

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United States
General Accounting Office
Washington, D.C. 20548

Health, Education, and
Human Services Division

B-254614

May 19, 1995

The Honorable Daniel P. Moynihan
Ranking Minority Member
Committee on Finance
United States Senate

Dear Senator Moynihan:

This report, prepared at your request, provides information on examples of employment-focused welfare-to-work programs, the extent to which Job Opportunities and Basic Skills Training programs nationwide focus on employment, and factors that hinder programs' efforts to move recipients of Aid to Families With Dependent Children into jobs.

We are sending copies of this report to the Chairman, Senate Committee on Finance; the Chairmen and Ranking Minority Members of the House Committee on Ways and Means and its Subcommittee on Human Resources; the Secretary of Health and Human Services; the Assistant Secretary for Children and Families; and other interested parties. We will also make copies available to others upon request.

If you or your staff have any questions concerning this report, please call me at (202) 512-7215 or David P. Bixler, Assistant Director, at (202) 512-7201. Other major contributors to this report are listed in appendix V.

Sincerely yours,

Jane L. Ross

Jane L. Ross
Director, Income Security Issues

Executive Summary

Purpose

To combat welfare dependence and improve the lives of poor children, the 104th Congress proposes to fundamentally change the nation's largest cash assistance program for poor families with children, the Aid to Families With Dependent Children program (AFDC). The Congress is considering limiting the length of time families may receive cash assistance, ending benefits for unwed mothers under 18 years old, and converting AFDC from an entitlement to a block grant. While there is general agreement that reforms should promote work, the Congress is also debating the type and extent of work requirements to be established for those receiving cash assistance.

In 1988, the Congress strengthened existing work requirements for AFDC recipients by creating the Job Opportunities and Basic Skills Training (JOBS) program, designed to encourage and require AFDC parents to move from welfare to work. Under JOBS, programs are to provide participants with education and training if deemed necessary to prepare them for work. Program officials must also work with employers to help place participants in jobs. In addition, programs can provide temporary subsidies to employers to encourage them to hire and train AFDC recipients. And when AFDC recipients are not otherwise able to find work, JOBS may place them with public, nonprofit, or other organizations to gain work experience while they continue to receive their AFDC benefits.

To help the Congress as it considers welfare reform, the Ranking Minority Member of the Senate Committee on Finance asked GAO to provide information on (1) examples of county or local JOBS or JOBS-like programs that emphasize job placement, subsidized employment, or work-experience positions for welfare recipients; (2) the extent to which county JOBS programs nationwide use these employment-focused activities; and (3) factors that hinder program administrators' efforts to move welfare recipients into jobs.

Background

Under JOBS, states are to provide AFDC recipients with the education, training, and employment-related and support services they need to become employed and assume responsibility for the support of their children. The federal and state governments share the costs of JOBS, which is overseen at the federal level by the Department of Health and Human Services (HHS) and at the state level by state AFDC agencies. While states supervise the program, services are delivered at the county or local level. In fiscal year 1993, the federal and state governments spent about

$2 billion for JOBS, which served more than 500,000 AFDC recipients each month.

To encourage states to work towards the federal goal of reducing welfare dependence, the Congress reduces the amount of federal funds available to states unless they serve increasing portions of their AFDC populations in JOBS programs and target resources to those most at risk of long welfare stays. While states have generally met these participation and targeting requirements, little is known about the extent to which JOBS has moved welfare recipients into employment or reduced welfare dependency.[1] HHS has contracted for an evaluation of JOBS' effectiveness in seven sites throughout the nation.

To accomplish its objectives, GAO visited five welfare-to-work programs in California, New York, Ohio, and West Virginia that emphasized job-placement activities, subsidized employment, or work-experience programs. GAO identified these programs through discussions with JOBS officials at the federal level, welfare-to-work experts and practitioners, and a review of selected evaluation literature. GAO also surveyed a nationally representative random sample of 453 county JOBS program administrators in mid-1994. A more detailed discussion of GAO's methodology appears in chapter 1.

Results in Brief

Programs that stress the goal of employment for their participants and forge close links with employers show promise in promoting work among welfare recipients. The five programs that GAO visited all share that emphasis, although they differ in their approaches. For example, a Riverside County, California, program emphasizes moving participants quickly into employment, while a San Jose, California, program provides longer-term skills training. In both cases and in the other programs that GAO visited, program administrators keep participants focused on the importance of work and forge links with employers or other organizations to help participants find jobs or work-experience positions.

A majority of county JOBS programs across the nation, however, do not have a strong employment focus. About one-half of the county JOBS administrators nationwide stated that they do not work enough with employers to find jobs for participants. In addition, although most of the program officials reported that less than one-half of their job-ready participants had become employed, the officials reported little use of

[1]See Welfare to Work: Measuring Outcomes for JOBS Participants (GAO/HEHS-95-86, Apr. 17, 1995).

subsidized employment or work-experience programs, options available under JOBS.

Although program administrators expressed interest in working more with employers and expanding their use of subsidies and work-experience programs, they reported that many obstacles stood in their way. Most local administrators cited insufficient staffing and resources as hindering their work with employers. Many also stated that more flexibility in federal rules governing employment subsidies and work-experience programs, such as the option to place participants with private-sector employers to gain work experience, could facilitate their use. In addition, most administrators noted that the low-wage work available to many AFDC recipients discourages their movement into the work force.

GAO also notes that while the current federal participation rate and targeting requirements hold states accountable for the number and type of AFDC recipients participating in JOBS activities, states currently need not track the number who get jobs or earn their way off AFDC. As a result, programs may emphasize preparing participants for employment without also making strong efforts to help them get jobs.

GAO's Analysis

Examples of Employment-Focused Programs

Some welfare-to-work programs promote a strong employment message and forge links with employers or other organizations that help to promote work for welfare recipients. GAO visited five such programs. They varied in their costs per participant and types of training provided, but they all focused participants and staff on the importance of obtaining employment or work experience. In addition, each program worked with local employers, creating workplace connections that played an important role in making programs more responsive to local employers.

For example, in Riverside County's JOBS program in California, program staff strongly encourage participants to take any job they can find to get into the work force. Researchers found that this JOBS program saved federal and state governments $3 for every $1 invested, outperforming the five other California counties studied. Another program, the Center for Employment Training in San Jose, works closely with employers to offer training for occupations that are in high demand in the local economy,

ranging from home health aide to metal worker. Research showed that this program increased participants' earnings 47 percent over those not participating in the program.

In New York City, the state welfare agency pays America Works, a for-profit firm, to find private-sector jobs for some AFDC recipients. These jobs are partly subsidized with AFDC grant dollars for 4 months. After this period of supported work, about 65 percent of the AFDC recipients are ultimately hired by the employers. Although this program has not been evaluated, its approach shows promise in helping AFDC recipients get jobs and remain employed. Other programs promote work for AFDC recipients even when regular jobs are not available. In Athens County, Ohio, and in several West Virginia counties, some welfare recipients gain work experience while contributing to their communities by working in government and nonprofit agencies while receiving their welfare grants. Research on work-experience programs shows little evidence that such programs can increase paid employment, but they can produce benefits for taxpayers through the work performed and offer meaningful work for welfare recipients.

Most Programs Do Not Have a Strong Employment Focus

While some programs, such as the five that GAO visited, have created employment-focused environments, most JOBS programs nationwide seemingly have not, according to the responses of local program administrators. About one-half of the administrators reported that they do not do enough to identify job openings or market participants to employers. In addition, although about 70 percent of the program officials reported that one-half or less of their job-ready participants had become employed, they indicated that their programs made limited use of subsidized work and work- experience programs. Nationwide in mid-1994, about 10 percent of JOBS participants were placed in work-experience positions and about 1 percent were in subsidized employment.

Administrators Cite Hindrances to Placing Participants in Work

Most JOBS administrators cited insufficient staff as hindering their work with employers to help participants find work. Working with employers to identify job openings or create subsidized or work-experience positions takes considerable staff time and effort. However, administrators GAO spoke with and several studies have noted that JOBS staff are busy enrolling participants, assigning them to JOBS activities, and tracking and monitoring them, which leaves staff little time to work with employers.

GAO also notes that the current participation goals are process-oriented—focusing on the numbers of persons enrolled in JOBS activities—and do not hold states accountable for such outcomes as the number of JOBS graduates who leave welfare for work. At one site that GAO visited, a JOBS participant had successfully completed several different training programs. Under the current performance system, this individual helps the program meet the federal requirement to receive its full share of federal funding. Yet the participant remained unemployed and on AFDC. While education and training may be needed by some participants to help them find employment, such activities should be an intermediate step on the way to the ultimate goal of employment.

Administrators cited other hindrances as well. They reported that subsidizing employers can be more costly than other JOBS activities. In addition, a majority expressed interest in more flexible use of work-experience programs through revision of certain federal restrictions. For example, one official noted that she could expand participants' work experience if federal restrictions were revised to permit placing participants in all types of private-sector employment.

The low-wage work that many welfare recipients are likely to find also serves to weaken programs' focus on employment. About 70 percent of administrators believe that their job-ready participants do not become employed because they cannot find jobs that pay sufficient wages and benefits to support their families.

Recommendations

GAO is not making recommendations in this report.

Agency Comments

In commenting on a draft of this report (see app. IV), HHS' Administration for Children and Families (ACF) disagreed with GAO's conclusion that JOBS programs do not have a strong employment focus. ACF stated that GAO did not sufficiently recognize programs' use of job search or the extent of their job-development activities in evaluating their employment focus. In addition, it stated that GAO did not acknowledge the many ways that programs could focus on employment and, instead, relied too much on programs' low use of subsidized employment and work experience to indicate a weak employment focus.

GAO continues to believe that the evidence gathered shows that JOBS programs do not have a strong employment focus. Many JOBS programs

nationwide appear to emphasize preparing participants for employment without also making strong efforts to help place them in jobs. In addition, when unsubsidized work is not available, the programs have made little use of subsidized employment or unpaid work-experience positions.

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Abbreviations

ACF	Administration for Children and Families
AFDC	Aid to Families With Dependent Children program
CET	Center for Employment Training
EITC	Earned Income Tax Credit
HHS	Department of Health and Human Services
JOBS	Job Opportunities and Basic Skills Training program
JTPA	Job Training Partnership Act

Chapter 1

Introduction

The 104th Congress is moving to make major changes in AFDC, the nation's largest cash assistance program for needy families with children. Under consideration are limiting the number of years that cash assistance may be received, capping benefit increases for mothers on welfare who have additional children, denying cash assistance to unwed mothers under 18 years old, and transforming AFDC from entitlement status to a block grant administered by states.[2] Also under consideration are the type and extent of work requirements to be established.

In 1988, the Congress created the JOBS program to transform AFDC into a transitional program geared toward helping parents become employed and avoid long-term welfare dependence. Under JOBS, states are to assess the needs and skills of AFDC recipients, prepare them for employment through education and training as needed, and place them in jobs. We reported earlier that while states have made progress in implementing JOBS, only a small percentage of the almost 4.6 million adults on AFDC participated in work-preparation activities in fiscal year 1993. Moreover, little is known about the JOBS program's progress in moving parents into employment and reducing their dependence on welfare.[3]

To help the Congress as it considers welfare reform, the Ranking Minority Member of the Senate Committee on Finance requested us to provide information on (1) examples of county or local programs that stressed job placement, subsidized employment, or work-experience positions for welfare recipients; (2) the extent to which county JOBS programs nationwide emphasized these employment-focused activities; and (3) factors that hinder program administrators' efforts to move welfare recipients into jobs.

Background

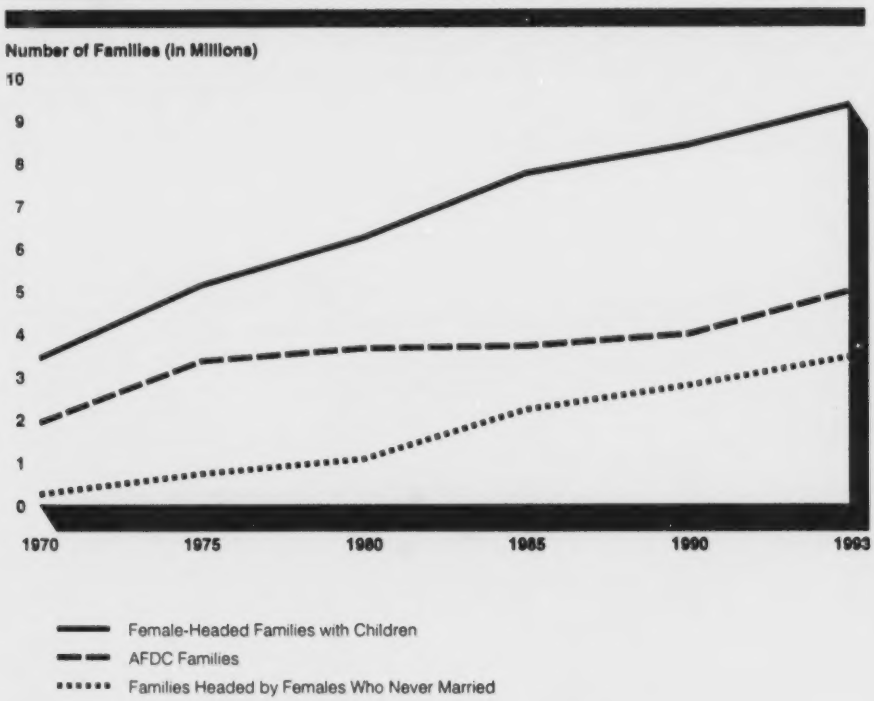
Through AFDC, the federal government and the states provide cash assistance to needy families with children who lack support from one or both parents because of death, absence, incapacity, or unemployment. As shown in figure 1.1, since 1970, the number of female-headed families, including those headed by women who have never married, has more than doubled, as has the number of families receiving AFDC. According to a Congressional Budget Office study, the growth in female-headed families, especially those headed by females who had never been married,

[2]On March 24, 1995, the House of Representatives passed H.R. 4, which included these and other reforms of AFDC.

[3]Welfare to Work: Current AFDC Program Not Sufficiently Focused on Employment (GAO/HEHS-95-28, Dec. 19, 1994).

accounted for about one-half of the sharp increase of 1.2 million in the number of AFDC families between 1989 and 1993.[4]

Figure 1.1: Growth in Number of Families, by Type (1970-93)



Source: AFDC data from Department of Health and Human Services; other family data from the Bureau of the Census.

In 1993, the federal and state governments spent over $25 billion to provide AFDC benefits to 14 million adults and children, most of them in single-parent families. About 56 percent of AFDC mothers live in central cities, another 25 percent of them live in the suburbs, and the remaining 19 percent reside in rural areas.[5] Since the 1970s, the percentage of single

[4]Forecasting AFDC Caseloads, With an Emphasis on Economic Factors, Congressional Budget Office Staff Memorandum (Washington, D.C.: 1993), pp. 1, 3.

[5]Based on AFDC mothers 15 to 44 years old. See Mothers Who Receive AFDC Payments—Fertility and Socioeconomic Characteristics, Economics and Statistics Administration, Bureau of the Census, U.S. Department of Commerce (Washington, D.C.: 1995).

mothers receiving AFDC who had never been married has doubled, from 21 percent in 1976 to 52 percent in 1992. About 70 percent of families receiving benefits have 1 or 2 children.

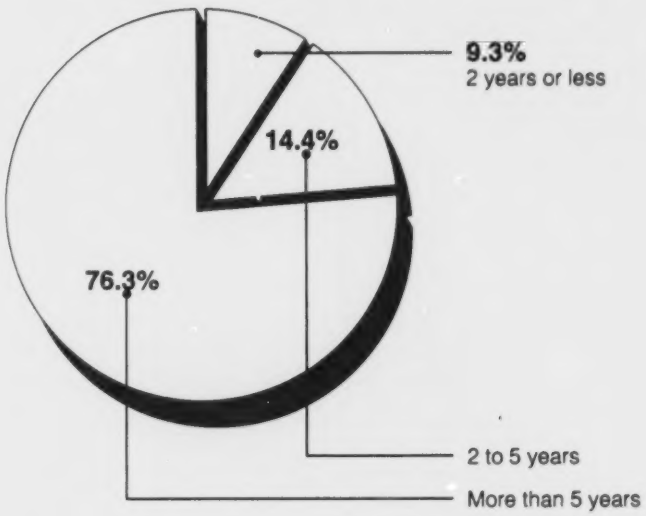
While most AFDC recipients are single mothers, these women are a diverse group, making use of the program in different ways. For example, one study has estimated the total time that those receiving AFDC at a point in time can be expected to receive benefits, as shown in figure 1.2.[6] This analysis indicates that 9 percent of these recipients are using AFDC for only a short time—2 years or less. About 76 percent, however, are receiving AFDC benefits for a total of 5 years or more, when all moves on and off welfare are considered.[7] According to these data, under a 5-year limit on receipt of cash assistance—a measure included in the House welfare reform bill—about three-fourths of those on AFDC may be expected to hit the time limit and need to support themselves through employment or other means.[8]

[6]The Number and Characteristics of AFDC Recipients Who Will Be Affected by Policies to Time-Limit AFDC Benefits, Harold Beebout and Jon Jacobson, Mathematic Policy Research, and LaDonna Pavetti, The Urban Institute (Washington, D.C.: 1994), p. 12.

[7]While this estimate indicates that about three-fourths of those on AFDC at a point in time would receive benefits for a total of 5 years or more, a much smaller percentage of those who ever receive AFDC—about 35 percent—are estimated to receive benefits for that duration. Of those who ever receive AFDC, 42 percent are estimated to receive benefits for a total of 2 years or less, and 23 percent for more than 2 but less than 5 years.

[8]This estimate assumes that there would be no exemptions from the time limit set for welfare receipt. The House bill (H.R. 4) allows states to grant up to 10 percent of their welfare recipients a hardship exemption from this lifetime limit.

Figure 1.2: Estimates of the Total Time Those Receiving AFDC at a Point in Time Will Spend on AFDC



Note: Based on estimates of the total number of months that the AFDC caseload at a point in time would receive benefits during the subsequent 25 years, including both continuous and noncontinuous periods of receipt.

Source: Beebout, Jacobson, and Pavetti, The Number and Characteristics of AFDC Recipients Who Will Be Affected by Policies to Time-Limit AFDC Benefits (1994), p. 12.

This prospect poses a formidable challenge for many AFDC recipients who have limited education, job skills, and work experience. About 45 percent of all AFDC recipients, for example, have less than a high school diploma.[9] Surveys of several thousand AFDC recipients expected to participate in JOBS in selected sites showed that at least one-third had extremely low literacy skills and between one-fourth and more than one-half lacked prior work experience. Over one-fourth thought they could not prepare for work

[9]Families on Welfare: Sharp Rise in Never-Married Women Reflects Societal Trend (GAO/HEHS-94-93, May 31, 1994).

because they or their family members had health or emotional problems.[10] Such recipients are at risk of long-term welfare dependence. We reported previously that states have made some progress in working with some of these recipients but that many remain unserved.[11]

The JOBS program, begun in 1989, was designed to improve upon the performance of previous welfare-to-work programs and help combat long-term welfare dependence. Research studies conducted up to then showed that employment training programs for welfare recipients could have a positive but generally modest effect on increased earnings and reduced welfare costs.[12] They also showed that programs that emphasized low-cost services, such as job search, generally did not help welfare recipients get higher paying jobs than they would have without the programs or help the more disadvantaged. It was hoped that JOBS could improve upon previous programs' performance by reaching further into the AFDC caseload and providing more comprehensive services, including education and training, to help parents find jobs that would end their dependence on welfare.[13]

To this end, under JOBS, states are to (1) provide a broad range of education, training, and employment-related activities; (2) increase the number of AFDC recipients participating in these activities; (3) target resources to the hard-to-serve; and (4) provide support services, including child care, transportation, work-related, and other support services, such as mental health counseling, if deemed necessary.

Current JOBS Participation

To encourage states to work towards the federal goal of reducing welfare dependency, the Congress created minimum participation and targeting requirements that states must meet to receive their full share of federal funding. The minimum participation requirements rose from 7 percent of

[10]The data on work experience came from a survey of 48,000 recipients in seven states; the other data were from about 20,000 recipients in four of these seven states. See Gayle Hamilton and Thomas Brock, The JOBS Evaluation: Early Lessons from Seven Sites, U.S. Departments of Health and Human Services and Education (New York: 1994).

[11]Welfare to Work: Current AFDC Program Not Sufficiently Focused on Employment.

[12]See Judith M. Gueron and Edward Pauly, From Welfare to Work, Russell Sage Foundation (New York: 1991).

[13]HHS currently is sponsoring an experimental design seven-site evaluation of JOBS to determine its effectiveness in increasing employment and earnings for welfare recipients and reducing welfare costs.

nonexempt AFDC recipients[14] in fiscal year 1991 to 20 percent in fiscal year 1995.[15] Under the targeting requirements, states must spend 55 percent of their JOBS funds on designated target groups.[16]

The Congress also expected that performance standards based on outcomes, such as increased employment and earnings and reduced welfare dependency, would be established after the initial implementation of the program. Outcome-related performance standards have not yet been established. (For more information on the current status of these performance standards, see p. 42.)

While most states have met the minimum participation requirements, the number of AFDC recipients participating in JOBS remains limited. About one-half of the adults receiving AFDC have been exempted from JOBS, most often because they are caring for a young child.[17] Of those considered nonexempt, states decide how many to serve in JOBS based on the availability of state resources. As shown in figure 1.3, the number participating in JOBS each month, while increasing, has remained limited for fiscal years 1991 through 1993.[18] In 1993, about 11 percent of the 4.6 million adults receiving AFDC were active in JOBS activities each month. Although some individual programs have succeeded in serving most of their nonexempt AFDC recipients, JOBS programs overall served only about one-fourth of the nonexempt population.

[14]AFDC recipients 16 through 59 years old are considered nonexempt unless they are ill or incapacitated; working 30 hours or more per week; attending high school; or caring for children under 3 years old (1 year old at state option). However, teenage parents who have not completed high school and have children under 3 years old are also nonexempt.

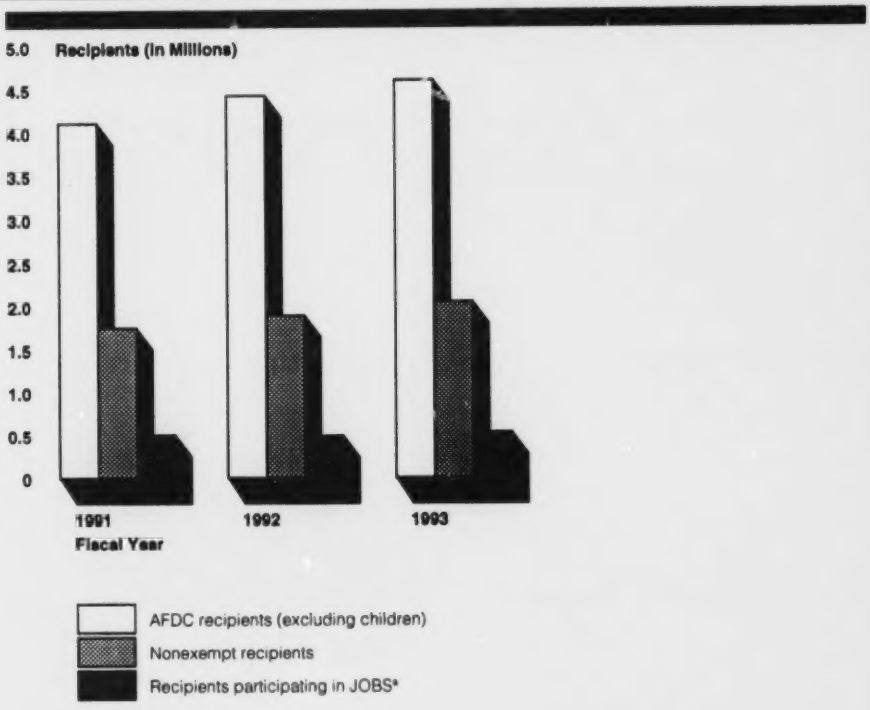
[15]The Congress also established separate minimum requirements for participation for principal earners in two-parent families receiving AFDC-Unemployed Parent benefits, beginning at 40 percent in fiscal year 1994 and increasing to 75 percent in fiscal year 1997.

[16]JOBS target group members include AFDC recipients or applicants who have received AFDC for 36 months out of the past 5 years; are under 24 years old and (a) have neither completed nor are enrolled in high school or (b) had little or no work experience in the preceding year; or are soon to become ineligible for AFDC because their youngest child is almost 18 years old.

[17]Those exempted may enroll in JOBS as volunteers.

[18]During a year's time, a larger percentage of recipients may participate in the program, but because HHS maintains its data on an average monthly basis, it is not possible to calculate the percentage that participated at any time during a year.

Figure 1.3: Average Monthly Number of AFDC Recipients, Nonexempt Recipients, and Those Participating in JOBS (Fiscal Years 1991-93)



[a]Recipients with any level of involvement or participation in JOBS-approved activity, including assessment.

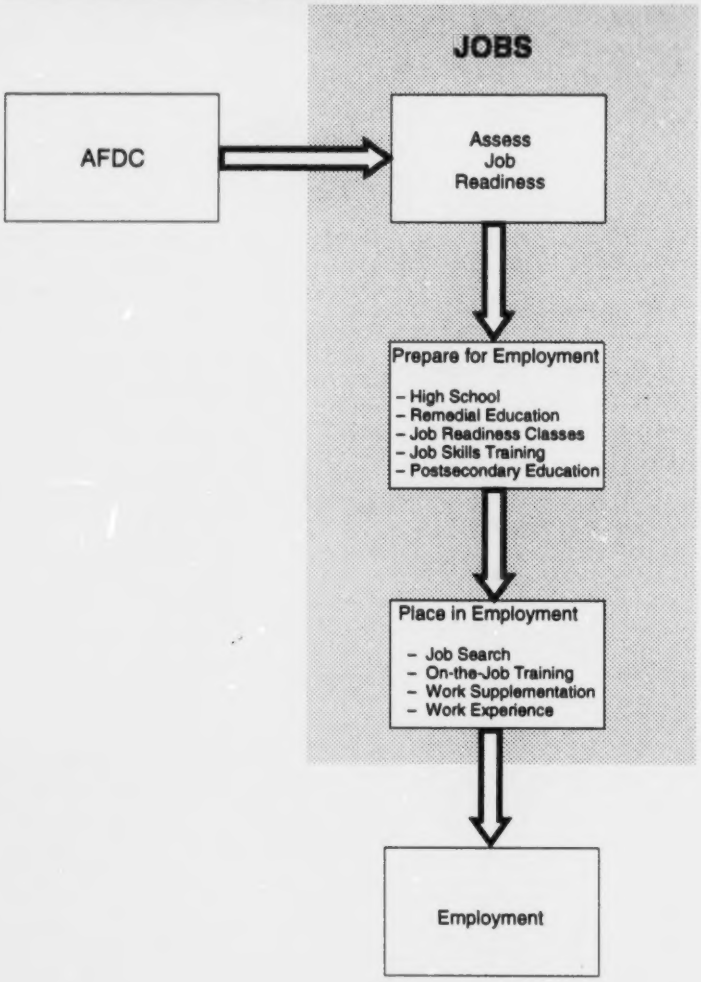
JOBS Programs Are Expected to Assess, Prepare, and Place Participants

Three basic steps—assessment, employment preparation, and job placement—are involved in attempting to move AFDC recipients into employment through JOBS, and programs are provided with tools to help them accomplish this, as shown in figure 1.4. First, JOBS programs must perform an assessment of each participant's needs and skills and, with the participant, develop an employability development plan setting forth an employment goal and a schedule of services and activities necessary to accomplish that goal.[19, 20]

[19]Federal law requires JOBS programs to make an assessment of employability based on a participant's educational, child care, and other support services needs; skills and work experiences; and family circumstances. The types of assessments used can range from 5-page surveys filled out by participants to comprehensive career-oriented assessments.

[20]If participants are considered job-ready when they enter the program, they may be required to look for work immediately without further employment preparation. Programs have varying criteria on when a participant is considered job-ready. While some local programs encourage all of their participants to look for work before being placed in education, training, or work-related activities, most require some minimum level of education, skills, or work experience before participants are expected to look for work.

Figure 1.4: Three Basic Steps in Moving JOBS Participants Into Employment



Then, as part of the preparation phase, all JOBS programs must provide high school and equivalency programs, basic and remedial education, job-readiness activities, job skills training, and support services. In addition, they may provide postsecondary education.

Finally, JOBS programs must provide services designed to place participants in jobs. To accomplish this, programs are required to conduct job-development activities, including identifying job openings, marketing participants to employers, and arranging interviews for participants. Programs must also consult with local private industry councils,[21] which include employers, or may choose to work directly with employers to ensure that participants receive education and training that prepares them for jobs that are available in the local area.

To help participants find work, JOBS programs must include at least two of the following activities as part of their programs: job search, on-the-job training, work supplementation, or work experience. Participants enrolled in job search look for work on their own or under program supervision. The other options are called work activities because they involve placing JOBS participants with employers or at worksites with community sponsors.

Two of these work activities, on-the-job training and work supplementation, involve the use of short-term wage subsidies to encourage employers to hire and train JOBS participants. When JOBS funds are used to reimburse employers, the JOBS activity is called on-the-job training; when the participant's AFDC grant is diverted to subsidize the employer, the activity is called work supplementation or grant diversion. In both cases, the participant receives a paycheck instead of a welfare check.[22] These programs are designed to encourage employers to hire welfare recipients whose productivity may be lower than that of other potential employees.

A third work activity, community work experience, and a similar activity called alternative work experience—both referred to as work-experience programs in this report—are designed to provide welfare recipients with actual work-place experience to increase their employability. Under these programs, JOBS places participants with public and nonprofit agencies to perform services for their community. These programs do not include payments to the employers, and JOBS participants continue to receive their

[21]Under the federal Job Training Partnership Act (JTPA), local entities are charged with forming a private industry council, with employer representation, that oversees training programs for economically disadvantaged individuals.

[22]In on-the-job training programs, JOBS programs may use JOBS funds to reimburse the training and supervision costs of an employer who hires a JOBS client. Under a work-supplementation program, all or part of the AFDC grant is diverted to an employer to cover part of the cost of wages for a JOBS participant for up to 9 months.

welfare checks. For a comparison of the federal rules governing the various work activities for AFDC recipients, see appendix I.

State and Federal Governments Share JOBS Responsibilities

Within the federal JOBS guidelines, states and localities assess the needs of their JOBS participants, determine the type and intensity of services provided, and set the criteria by which participants are deemed job-ready. They also have discretion to establish the wage level and benefits associated with the employment goal established in the employability development plan. Some programs set wage goals as high as $8 per hour, while others believe that a job at any wage level is an appropriate goal.

To help AFDC recipients move towards self-sufficiency, states rely on two federal funding sources. First, about $1 billion of federal JOBS funds has been made available annually in recent years for allocation to the states. States must then commit their own funds to JOBS to match these federal funds.[23] In fiscal year 1993, states used about 70 percent of the federal JOBS funds available to them. Second, the federal government has provided an uncapped source of funds to share with states the costs of providing child care assistance to AFDC recipients in education or training programs or who are employed. In fiscal year 1993, the federal government provided about $1.2 billion of the almost $2 billion spent by states on JOBS and AFDC child care.

HHS oversees the JOBS program at the federal level and state AFDC agencies supervise it. At the local level, JOBS is administered either by the state AFDC office or by county officials.[24] Before using JOBS funds to purchase services for participants, programs must make full use of the services and resources available in their communities without charge to AFDC recipients. Programs may also contract with other organizations for services. As a result, programs rely heavily on a variety of community resources, such as Job Training Partnership Act (JTPA) agencies, adult

[23]The federal government shares in the costs of a state's JOBS program at three different rates. First, for each state's JOBS spending up to the amount spent on certain fiscal year 1987 welfare-to-work activities, the federal share is 90 percent. Second, for the nonadministrative costs of providing services and full-time staff, the federal share is 60 to 80 percent, depending on a state's average per capita income. Third, for administrative and support services costs, other than child care, the federal share is 50 percent.

[24]While the AFDC agency must maintain supervisory control over the JOBS program, it may contract out certain activities and services. In some states or areas, JOBS is operated by the JTPA agency, the state employment service, community-based organizations, or a combination of agencies and providers.

basic education programs, high schools, the state employment service, Head Start, and community colleges.[25]

Scope and Methodology

To identify welfare-to-work programs that strongly emphasize employment or work for their welfare recipients, through job-placement activities, subsidized employment, or work-experience positions, we reviewed welfare-to-work evaluations and HHS program data and contacted HHS officials and welfare experts. We then visited selected programs in Riverside County and San Jose, California; Athens, Ohio; and New York, New York. Also, in Charleston, West Virginia, we spoke with six JOBS officials representing 11 West Virginia counties. Where results from impact evaluations were available, they are included in the text; however, only two of the five programs have been rigorously evaluated to measure program effects. We also note that the program cost data cited may not be comparable among the different programs described.

To determine the extent to which county JOBS programs nationwide used these employment-focused elements and to identify factors that hinder administrators' efforts to move AFDC recipients into employment, we collected and analyzed data from a range of sources. To obtain nationally representative data, we randomly sampled 453 of the nation's 3,141 counties and mailed questionnaires to their JOBS administrators in May 1994. The sample was stratified to ensure representation of the nation's central-city, suburban, and rural counties. It included the nation's 10 largest central-city counties, based on the number of female-headed families with children receiving public assistance in 1990.

Our analysis of the questionnaire data generally showed few material differences among the responses of the counties comprising the 10 largest central cities, other central-city counties, suburban counties, or rural counties. Consequently, we present the results using combined data from all the strata. See appendix II for more information about our sample. The questionnaire and summaries of the responses are in appendix III.

For more information on JOBS program implementation, we spoke with program administrators at HHS and the Department of Labor; representatives of the National Alliance of Business and the American Federation of State, County and Municipal Employees; and welfare

[25]For more information on the extent to which JOBS programs rely on other providers for services, see JOBS: Participants' Characteristics and Services Provided (GAO/HEHS-95-93, May 2, 1995) and Irene Lurie and Jan Hagen, Implementing JOBS: Initial Design and Structure, The Nelson A. Rockefeller Institute of Government, State University of New York (Albany, New York: 1993).

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experts. We also reviewed HHS and congressional welfare reform proposals and analyzed economic data provided by the Bureau of the Census and the Department of Commerce. In addition, we visited JOBS programs in Alameda, Napa, Santa Clara, and Sonoma Counties in California; Franklin County in Ohio; and gathered additional information at a meeting with JOBS administrators from 12 counties in the San Francisco area.

We conducted our work between September 1993 and April 1995 in accordance with generally accepted government auditing standards.

Examples of Employment-Focused Programs

Some local welfare-to-work programs are well-focused on employment, working closely with employers to help participants find jobs or using subsidized employment or work experience to promote work for welfare recipients. We saw this in programs at five locations we visited: Riverside County and San Jose, California; New York, New York; Athens, Ohio; and West Virginia. The programs in these places vary in their costs per participant and other features. Yet they all focus on work as the ultimate goal, with three of the programs—in Riverside County, San Jose, and New York—working closely with employers to move participants into paid employment, and the Athens and West Virginia programs supporting work-experience positions when regular employment was not available.

Table 2.1 summarizes selected program features and highlights important differences among the programs. For example, the Riverside County program is administered by a welfare agency and involves all of the county's JOBS participants. While welfare agencies also operate the Athens and West Virginia programs, their work-experience programs involve only a portion of their JOBS participants. The other programs are not JOBS programs and are not operated by welfare agencies. A nonprofit organization operates the San Jose program, which serves welfare recipients among other individuals in the community. And a for-profit firm runs the New York City program under contract to the state welfare agency; it serves but a small fraction of the JOBS participants in the city. We also note that the Riverside County and San Jose programs have research-documented success in getting more AFDC recipients employed than would have occurred without the programs. A more detailed discussion of these programs follows.

Table 2.1: Selected Features of Employment-Focused Welfare-to-Work Programs

	Riverside County, California	San Jose, California	New York, New York	Athens, Ohio, and West Virginia
Name	Riverside County GAIN[a]	Center for Employment Training	America Works	Athens County, Ohio, JOBS and state of West Virginia JOBS
Type and administrator	JOBS program operated by county AFDC agency	Vocational school operated by nonprofit organization	Job placement and support services provided by for-profit company	JOBS programs operated by county and state AFDC agencies
Participants	Enrolls about 2,000 nonexempt AFDC recipients in a county with 30,000 AFDC cases	Enrolls about 470 AFDC and non-AFDC individuals, generally volunteers, in county with 30,000 AFDC cases	Enrolls about 120 AFDC volunteers in city with 309,000 AFDC cases	Athens: Enrolls 94 of 550 JOBS participants in a county with 1,600 AFDC cases. West Virginia: Enrolls 2,500 of 24,000 JOBS participants in state with 40,000 AFDC cases
Highlighted features	Finding employment quickly; job development	Training closely linked to employers' needs	Work supplementation	Community work experience
Comparison or control group evaluation available	Yes	Yes	No	Available on similar programs only

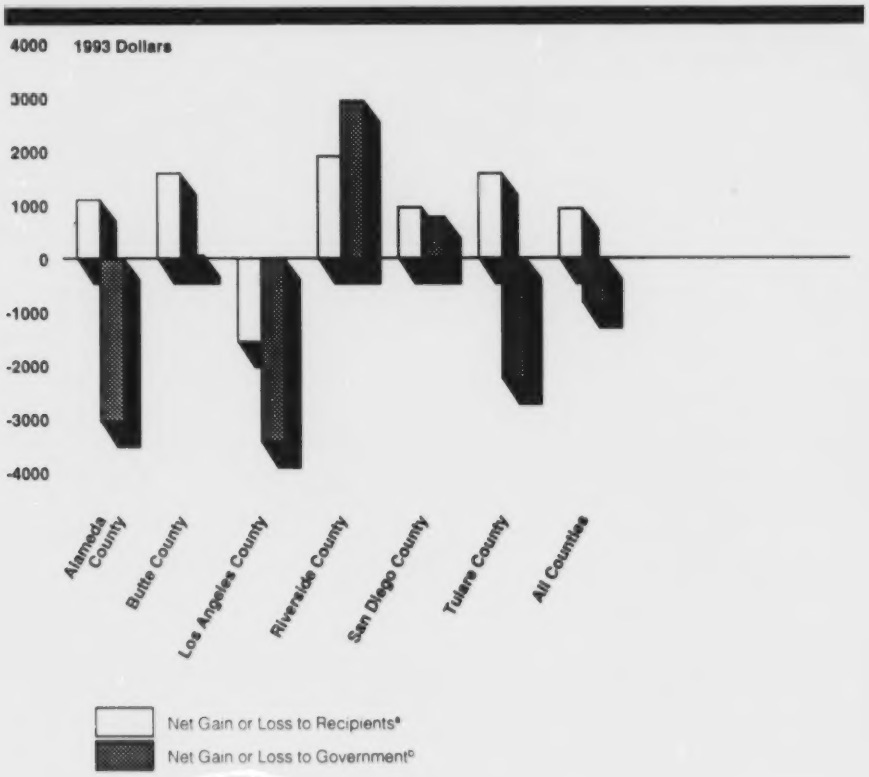
[a]The JOBS program in California is called Greater Avenues for Independence (GAIN).

Riverside County Program

The Riverside County JOBS program stresses that its purpose is to place participants in jobs quickly. Researchers believe that this strong employment message may have been one of the key factors in producing results. Using an experimental design to evaluate JOBS programs in six California counties, researchers[26] found that the Riverside County program increased the earnings of single AFDC parents by 49 percent and decreased welfare costs by 15 percent over 3 years. Results in the other five counties were about one-half that level. As shown in figure 2.1, the Riverside County program produced greater net gains than the other counties for both welfare recipients and government budgets, saving almost $3 for every $1 spent by the federal, state, and local governments. Moreover, long-term AFDC recipients, those with little education, and those more job-ready have benefited under Riverside's approach.

[26]See James Riccio, and others, GAIN: Benefits, Costs, and Three-Year Impacts of a Welfare-to-Work Program, Manpower Demonstration Research Corporation (New York: 1994).

Figure 2.1: Benefit-Costs Results of Welfare-to-Work Program in Selected California Counties (1988-93)



[a]For AFDC single-parent participants enrolled in the experimental group, this includes per person effects on their earnings and fringe benefits, offset by any reductions in AFDC and other transfer program payments.

[b]The potential gains to government budgets per participant in the experimental group include reduced AFDC and other transfer payments, reductions in transfer program administrative costs, and increased taxes paid by those in the experimental group. The potential costs include net expenditures for GAIN services and services provided by other agencies.

Source: James Riccio, and others, GAIN: Benefits, Costs, and Three-Year Impacts of a Welfare-to-Work Program, Manpower Demonstration Research Corporation (New York: 1994), p. ES-9.

Researchers who studied the six California counties believe that Riverside County's greater positive impacts may be due to a combination of program

features.[27] For example, the program had sufficient resources to make efforts to enroll all the AFDC recipients deemed mandatory for JOBS. In addition, it used the threat of reduced AFDC benefits for uncooperative participants to secure their participation in JOBS.[28]

In contrast with the other counties evaluated, Riverside also articulated a simple goal: participants are there to get a job and leave welfare as soon as possible. They are, therefore, encouraged to take any job offered, including low-wage jobs, part-time jobs, or jobs without benefits. To help participants get jobs, five full-time job developers provide direct access to employers and support the five JOBS offices that served about 2,000 active JOBS participants each month in 1993. The Riverside program also uses placement standards for its JOBS workers; case managers are expected to place at least 12 participants in employment each month.[29]

Stressing the importance of job search along with education in the basic skills of reading, writing, and math also appears to benefit Riverside. In Riverside and the other counties, new participants whose test results indicate that they need basic education have the option of entering the classroom immediately or attending 3 weeks of job search.[30,31] However, Riverside's orientation results in proportionately more of its participants being in job search than is the case in most other California counties studied. Also, Riverside encourages those participants in education and training to find jobs quickly. Staff closely monitor these participants and expect those not making progress to look for work.

[27]The evaluation of the six California programs used experimental and control groups to identify impacts on earnings and welfare receipt. In addition, detailed and standardized implementation data were collected among the counties to shed light on the best approach to moving participants off welfare.

[28]Riverside initiated sanctions against 11 percent of its single-parent participants because they failed to show up for scheduled JOBS activities without good cause, and reduced the welfare grants of 6 percent of participants for specified periods of time.

[29]Researchers noted that these placement standards do not lead to creaming—working only with the more employable—because the program covers most of those required to participate and no up-front screening is performed to screen out those considered harder to place. They also noted that these placement standards apply to the caseworkers that work with a mixed group, those in need of and not in need of basic education. The caseworkers who work solely with those in need of basic education have lower placement standards.

[30]The California JOBS program, called GAIN, uses a program model that requires basic education for recipients that test below certain levels. This is not required by federal JOBS rules.

[31]Riverside administrators estimate that participants attend basic education classes an average of 8 months to reach eighth grade reading and math levels or take 3 months to pass the high school equivalency examination.

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Riverside's emphasis on short-term job search along with longer-term education may also account for its relatively low average cost of $3,000 per participant in 1993 dollars,[32] compared with other California counties studied. Consistent with its emphasis on moving participants quickly into the work force, Riverside makes less use of basic, vocational, and postsecondary education than some other counties. For example, in Alameda County, which used education extensively, the 1993 average participant cost was $6,600.

While the Riverside County results indicate that an emphasis on job placement, among other factors, is important, questions remain about what works best to help welfare recipients get jobs and earn enough to support their families. HHS has contracted with researchers to conduct experimental design studies to provide additional information on the cost effectiveness of higher-cost education and training programs compared with lower-cost programs that emphasize quick entry into jobs.[33]

While the Riverside program produced greater earnings increases and welfare savings than in the other counties, about 40 percent of its participants were still on AFDC 3 years after the study began, and many of those who did leave AFDC remained in poverty and possibly at risk of returning to welfare. Some of those that left AFDC may also have continued to receive other forms of public assistance, including Food Stamps and housing subsidies.

The researchers also noted that it was not clear that Riverside's program could be replicated or, if replicated, could produce similar results in other localities nationwide—for example, in inner cities where AFDC recipients may face greater barriers. In addition, while they concluded that the Riverside County results appear not to be fully explained by its local labor market conditions, they cautioned that similar results may not be possible in areas with very poor economic conditions, such as rural areas with high unemployment rates.[34]

[32]Researchers determined this amount was spent on those in its experimental group over a 5-year period from JOBS and other funding sources. The impact analysis was based on 3 years of follow-up data.

[33]For more information on the ongoing evaluation, see Gayle Hamilton and Thomas Brock, The JOBS Evaluation.

[34]For a discussion of the limited evidence available on the influence of the local economy on a welfare-to-work program's impact, see Judith Gueron and Edward Pauly, From Welfare to Work, p. 186.

San Jose's Center for Employment Training

The Center for Employment Training (CET), a nonprofit organization founded in 1967 and based in San Jose, California,[35] represents another approach to promoting employment that has demonstrated positive results. CET contracts with job training and local welfare programs to provide job skills training, combined with remedial basic education, when needed. Using an experimental design, researchers found that this program increased employment and earnings for minority female single parents on or at risk of becoming dependent on AFDC who volunteered for training.[36] The research study noted that at the end of 12 months, 46 percent of CET participants were working compared with 36 percent of a control group and participants earned 47 percent more on average than the control group. These results were also greater than those for other sites in the study.

To help its participants get higher-wage jobs with a potential for upward mobility, CET offers job skills training in a range of occupations for which employers have demonstrated consistent demand. About 28 courses are offered, including child care provider, automated office skills, home health aide, commercial food service, and electronic assembly. Remedial education is integrated into the job skills training curriculum for participants who have basic skill deficiencies, rather than being offered separately. Researchers who have studied the CET program believe that its strong focus on employment and integrated training design are important features.

The employment focus is evident in several CET activities. CET's full-time job developers make contact with employers in the community and meet with participants who are nearing completion of training to help them find appropriate work. The job developers are assisted in their placement efforts by CET's vocational instructors, who maintain close contacts with local employers. CET also has an industrial advisory board, composed of employers, that meets monthly to provide advice on the types of training equipment to be used and other issues to ensure that the training offered meets the needs of employers. Board members also conduct mock job interviews with participants.

[35]Thirty-six additional programs modeled on CET are operated or planned in a total of 12 states.

[36]See J. Burghardt and A. Gordon, The Minority Female Single Parent Demonstration: More Jobs and Higher Pay, Rockefeller Foundation (New York: 1990). Researchers found significant and persistent gains in employment and earnings of the CET women studied, although few were able to reduce their dependence on AFDC.

One employer we spoke with, manager of a local sheet metal fabrication company, emphasized that his company relies heavily on CET graduates. He believes that this saves him advertising and other hiring costs and guarantees him well-prepared workers. At the time of our visit, he was planning to open a company cafeteria to be staffed with CET graduates.

Another key feature, integrated training, provides basic education in a practical context. Participants lacking basic educational skills are entered into job skills training immediately to help maintain their motivation and focus on work. Because basic education is provided within the skills training class itself, participants appear more likely to accept the remedial help and to succeed.

Participants attend classes during the normal work week in a setting designed to simulate the workplace, using the tools of their trade under the guidance of instructors with recent industry experience. Individualized instruction allows new participants to enter class on the first day of any week of the year, to proceed at their own pace, and to leave as soon as they have demonstrated the necessary competencies. Training courses average 6 months in length and cost about $6,000 to $7,000 per participant.[37]

New York City's America Works

Another example of a work-focused program is seen in New York City. There, the welfare agency, as part of its work-supplementation program, contracts with a private for-profit firm called America Works.[38] America Works quickly prepares JOBS participants for employment, places them in jobs, and provides counseling and support to ease their transition to work. Staff and resources are devoted to working with employers and supporting clients after job placement to help alleviate any personal problems that may arise and threaten their ability to continue to work.

America Works emphasizes the development of good work habits and skills required for entry-level jobs during the short training period it provides participants. Specifically, participants are urged to demonstrate punctuality, reliability, appropriate professional dress and demeanor, a constructive and cooperative attitude, and an ability to get along with

[37]Welfare recipients may have their tuition paid by a variety of sources, including JOBS, JTPA, or the federal Pell grant program, which provides economically disadvantaged individuals with grants to further their education.

[38]Programs based on the America Works model operate at another site in New York state, one site in Indiana, and another site in Connecticut.

others in a work environment. Participants attend a week-long pre-employment class and 6 weeks of business laboratory where they use self-paced computer-assisted office skills programs. Tardiness and absences may result in suspension from the program.

Participants who complete the business laboratory are placed by the firm's job developers with private employers for 4 months of supported work, during which time they are on the payroll of America Works. The America Works payroll in New York City is supported by AFDC grant funds and funds from employers. Upon placement, participants are provided a support system, whereby America Works staff help participants with personal problems, such as creditor or landlord disputes, that interfere with their ability to work. America Works staff believe that their support system for participants who have been newly placed in jobs is key to keeping many of their participants employed.

According to data compiled by the New York State welfare agency, about 65 percent of participants in supported work are ultimately hired by the private employers with whom they have been placed. America Works receives about $5,300 from the state's welfare agency when an AFDC recipient enrolled in America Works remains employed and off AFDC for at least 7 months. Unlike the Riverside and CET programs, the outcomes of the America Works program have not been compared with a comparison or control group to determine whether the effects were due to the program. Some of the America Works participants might have found jobs on their own, especially because many of them were motivated volunteers.

While the program's design screens out those not motivated, the program does work with many long-term welfare recipients with low levels of education. The typical participant is an adult female head of household on AFDC an average of 5 years. Also, the typical participant in America Works has volunteered for the program, has a sporadic history of minimum-wage jobs, and can read and write well enough to complete a brief application. Applicants who need remedial basic education or English language training are referred to other community providers. About one-half of the participants have not completed high school.

America Works officials believe that reaching out to employers and responding to their needs is a prime program goal. They noted that employers who take on America Works participants save on placement agency fees as well as costs of advertising for and screening job applicants. In addition, they obtain workers at reduced wage and benefit

costs initially, and with lower turnover and related costs. America Works guarantees that employers will be satisfied with participants placed with them or replacements will be found. About 60 percent of the jobs that America Works staff develop are the result of repeat business with satisfied employers.

Athens, Ohio, and West Virginia

JOBS programs in Athens, Ohio, and West Virginia reveal a different kind of work focus, typified by placing participants in community work-experience positions with public and nonprofit agencies. Welfare officials at the sites we visited indicated that having AFDC recipients perform community service can benefit their communities, in addition to developing participants' work habits and providing work experience that may lead to paid employment.

The JOBS program in Athens County, Ohio, uses work-experience positions to increase the confidence and competency of participants, and in some cases these positions lead to permanent employment. The county's welfare agency is the largest utilizer of work-experience participants, many of whom are subsequently transferred to the county's payroll and leave welfare.[39] One office unit within the welfare agency is staffed primarily by work-experience participants, and an estimated three-fourths of the welfare agency's personnel consist of former welfare recipients.

West Virginia, where unemployment rates are among the highest in the nation, uses community work experience extensively to develop and maintain work habits among its JOBS participants. This involves work for various public or nonprofit organizations. Since the 1980s, West Virginia's welfare-to-work program has promoted the idea that AFDC recipients should contribute to their communities in exchange for their benefits, and work for such organizations has been used to promote work among AFDC recipients, especially men.

The state has made greater use of community work experience than most other states, with about 2,500 AFDC recipients enrolled in June 1994, mostly at government agencies but also at nonprofit agencies. Participants often work for an average of 62 hours a month, putting in full 40-hour weeks for some part of the month or part-time hours throughout the month. Single parents with young school-age children, for example, may work during the

[39]Under a federal waiver from AFDC and JOBS rules, participants may extend the hours that they work and receive payment from the employer for the added hours without a reduction in their grants in cases where the employer demonstrates a commitment to hire.

6 hours of a normal school day and care for their children at home the remainder of the day, thus saving on child care expenses.

West Virginia administrators we spoke with noted that much time, effort, and resources must be devoted to operate a work-experience program. Major work-experience program expenses involve intensive use of JOBS staff to arrange for jobs with employers, screen and match participants to available jobs, and provide follow-up support. JOBS case managers check monthly timesheets and ask to be called if problems arise at the workplace. They rarely visit worksites, however, because they average caseloads of 300 to 400 participants.

Based on experimental design studies of the use of work experience in several sites in the 1980s, including some in West Virginia, researchers have concluded that unpaid work experience alone does not increase paid employment, earnings, or welfare savings. However, they also found that these programs could produce benefits for taxpayers through the work performed by welfare recipients. In addition, program administrators and welfare recipients involved generally thought that they had performed meaningful work, although the participants said that they would have preferred to work in paid positions. Based on their review, the researchers estimate that the annual cost of a work-experience position in 1993 dollars would range from $2,000 to $4,000, excluding the AFDC benefit and child care costs.[40]

[40]See Thomas Brock, David Butler, and David Long, Unpaid Work Experience for Welfare Recipients: Findings and Lessons from MDRC Research, Manpower Demonstration Research Corporation (New York: 1993).

Most JOBS Programs Have a Weak Employment Focus

While some county and local organizations have forged links with employers to promote work for welfare recipients, these programs are more the exception than the rule across the nation. A majority of county JOBS programs do not work closely with employers to help their participants find work. Administrators and researchers cited many factors that hinder efforts to find or create employment for welfare recipients, including insufficient staff and resources and poor labor market conditions. In addition, we found that the federal JOBS participation requirements emphasizing the enrollment of eligible persons into JOBS programs without an emphasis on the graduation of enrollees into employment provide programs little incentive to redirect their resources to job-placement efforts.

Employment Emphasis Limited Among Programs

Most programs do not fully use the tools available to help move participants quickly into work. This is demonstrated by the limited emphasis on job development, work incentives, and work activities, including subsidized employment or work experience.

Job Development Is Underutilized

Although job development is a potentially important tool for moving JOBS participants into employment, about one-half of the nation's county JOBS administrators believe that they are not doing enough job development to help JOBS participants find work. In addition to preparing AFDC recipients for employment through education and training, JOBS programs are required to engage in job development to help participants secure jobs. Program officials may also work with employers to identify the types of education and training needed for participants to meet employers' needs. These job-development activities can play an important role in making JOBS programs more responsive to their local labor markets.

While almost all county JOBS programs perform some job-development activities, in most, their job-development resources are limited. We found that JOBS programs rely on a variety of local agencies and organizations, such as JTPA, the Employment Service, and education providers, to perform job-development activities for JOBS participants. While other organizations are involved in helping JOBS participants find work, in most counties, the welfare agency itself takes the lead in job development. However, about one-third of the nation's programs have no full- or part-time staff dedicated to job-development activities. And while caseworkers may also perform job-development activities, we found that they devote little time to working with employers. More than three-fourths

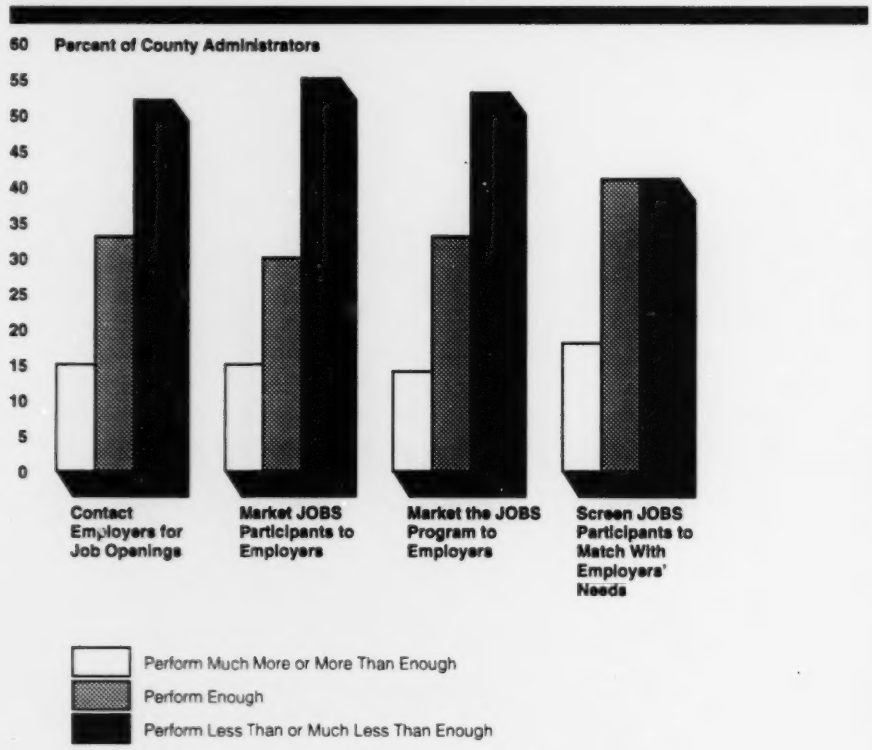
of all JOBS administrators report that caseworkers devote 20 percent or less of their time to job development.

In many programs, the extent of job development performed on behalf of JOBS participants is limited and may not meet the needs of the job-ready looking for work. For example, about 60 percent of the nation's JOBS programs or their contractors arranged job interviews for or marketed to employers only some or few of their job-ready participants. Moreover, about 46 percent or more cited that the program or its contractors worked with each of the following only sometimes or rarely: public employers, private-sector employers, the Chamber of Commerce, or other employer associations.

Local administrators themselves also believe that job development is underutilized in JOBS programs. A majority of administrators believe that they did not conduct enough job-development and job-placement activities to meet the needs of their JOBS participants, as illustrated in figure 3.1. Furthermore, a 1994 study of JOBS implementation in 30 localities in 10 states also noted that job- development and job-placement activities are underutilized in JOBS programs.[41]

[41]Irene Lurie and Jan L. Hagen, Implementing JOBS: Progress and Promise, The Nelson A. Rockefeller Institute of Government, State University of New York (Albany, New York: 1994), p. 246.

Figure 3.1: Administrators' Opinions on Extent of Job-Development Activities (Mid-1994)



Work Incentives Not Emphasized

Many JOBS programs nationwide do not make all participants aware of some important incentives to seek employment. To encourage work, the AFDC program provides some assistance to recipients who become employed by temporarily disregarding part of their earnings, including some of those expended for child care, in calculating their AFDC benefits. These income and child care disregards allow AFDC recipients who go to work to avoid the cutback in benefits that would ordinarily result from an increase in earnings. In addition, to further ease the transition to employment, AFDC recipients who earn enough to leave the welfare rolls are eligible for 1 year of child care subsidies if needed and continued Medicaid coverage.

Other assistance may be available after AFDC recipients leave the welfare rolls. When the 1 year of transitional Medicaid coverage is exhausted, the children of AFDC recipients may still be covered due to recent changes in

Medicaid coverage for all children in families below the poverty line.[42] And the recently expanded Earned Income Tax Credit (EITC) will increase some low-wage workers incomes by up to 40 percent. These federal supports can increase the attractiveness of low-wage work.

However, many JOBS programs do not inform all their participants of the work incentives that may be available to them. Based on our survey, from 67 to 84 percent of county JOBS programs inform all or almost all of their participants about each of the following: the availability of transitional child care, transitional Medicaid, AFDC income disregards, and child care disregards. However, only about one-half of the nation's JOBS programs inform all or almost all their participants of the EITC. While we identified about 18 percent of the programs that worked with all or almost all their participants to develop a sample budget demonstrating the benefits available to them when working, about 60 percent of the nation's JOBS programs reported that they do so for one-half or fewer of their participants.

These findings are consistent with other studies showing that those on welfare, as well as welfare and JOBS caseworkers, may not be aware of or understand work incentives. One study of a sample of 30 women in Chicago concluded that the EITC may not provide an incentive to work because few recipients have a clear understanding of how it operates.[43] Another study of welfare administrators found that many did not know that Medicaid coverage was available for certain children in families with incomes up to or, in some cases, beyond the federal poverty line.[44]

Limited Use of Work Activities

Almost all JOBS programs encourage participants to engage in job search activities at some point in their enrollment in JOBS,[45] but many job-ready participants do not become employed for a variety of reasons. For JOBS

[42]States are required to provide Medicaid coverage to all children under 19 years old who were born after September 30, 1993, and whose family income is below 100 percent of the federal poverty line. In addition, states must cover pregnant women and children under 6 years old with family incomes below 133 percent of the poverty line.

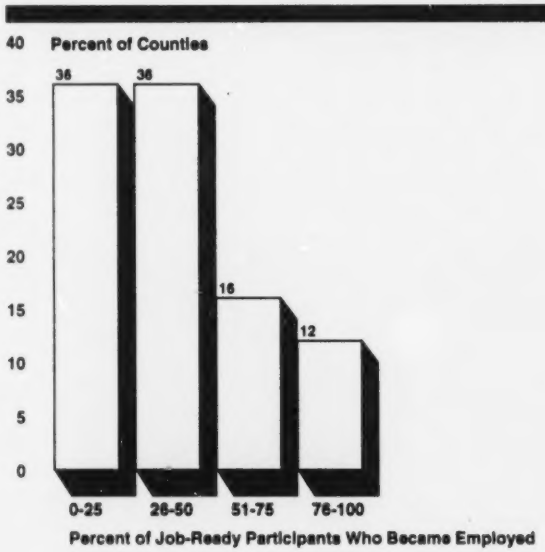
[43]Lynn M. Olson, "The Earned Income Tax Credit: Policy Implications of Street Level Experience," paper presented at Annual Research Conference of the Association for Public Policy Analysis and Management (Chicago: 1994).

[44]See Vicki C. Grant, Genny G. McKenzie, and Sarah C. Shuptrine, A Study of the Relationship of Health Coverage to Welfare Dependency, Southern Institute on Children and Families (Columbia, South Carolina: 1994).

[45]About 37 percent of the nation's JOBS programs encourage JOBS participants to look for work before placement in education, training, or work-related activities, with the remainder reserving job search activities until after education and training.

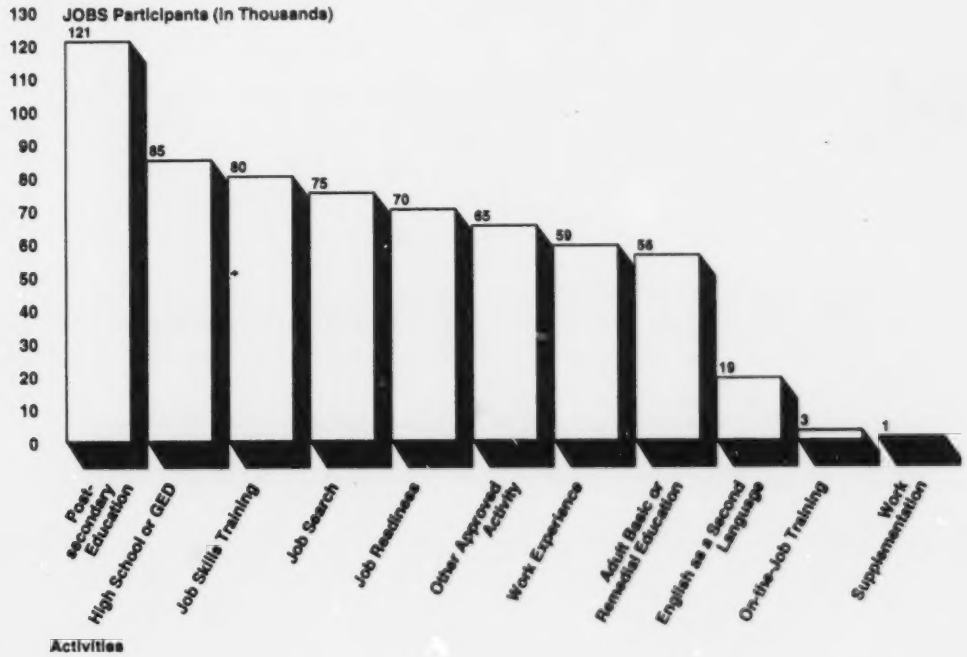
participants who cannot find regular employment, local JOBS programs have the option of using cash wage subsidies to encourage employers to hire them into on-the-job training or work-supplementation programs. Another option is to place participants in work-experience programs. For example, as discussed in chapter 2, West Virginia has used its community work-experience program to promote work among its welfare recipients when jobs were not available. Yet the use of work activities is limited, even though about 70 percent of the administrators reported that one-half or fewer of their job-ready participants became employed during their most recent program year. The distribution of counties according to their placement rates is shown in figure 3.2.

Figure 3.2: Distribution of Counties According to Placement Rates for Job-Ready Participants (Program Year 1993 or 1994)



The limited extent of work activities is seen in the following numbers: nationwide in mid-1994, of about 586,600 JOBS participants each month, about 59,000 were in work-experience programs, 3,000 were in on-the-job training, and 1,000 were in work-supplementation programs. As shown in figure 3.3, these work activities were little used compared with other JOBS activities. Moreover, more than 80 percent of the nation's counties have no experience operating work-supplementation programs and almost 50 percent have no experience in on-the-job training.

Figure 3.3: JOBS Participants by Activity (Mid-1994)



Note: Estimates are slightly understated due to missing data for 9 percent of the sampled counties. For sampling errors, see appendix II.
Participants may be enrolled in more than one activity at a time.

This demonstrates that counties will face a major challenge in supporting the work programs called for in some welfare reform proposals. For example, H.R. 4 requires states to provide work activities for an increasing percentage of those receiving cash assistance or face penalties of up to 5 percent of the state's block grant. In 1996, states would have to involve 10 percent of all families in work activities, with the requirement rising to 50 percent by 2003.[46] And the administration's proposal before the 103rd Congress called for those young mothers who do not find unsubsidized

[46]Cash assistance recipients must participate in one of the following to count towards the participation rate: unsubsidized employment, subsidized private or public-sector employment (including on-the-job training), work experience, job search, job-readiness, education directly related to employment for those under 20 years old and without a high school education or its equivalent, job skills training directly related to employment, or high school for those under 20 years old.

employment after 24 months of receiving AFDC to be placed in subsidized minimum-wage jobs. The House bill and the administration's proposal place a much greater emphasis on work activities than current law.

Under both of these proposals, welfare agencies will need to work with many welfare recipients who cannot find jobs on their own. Attention will have to be paid to preparing these recipients for the workplace, because administrators we spoke with emphasized the importance of screening and selecting able and motivated participants to place with employers to maintain employer interest in participating in the programs. This is consistent with our survey results showing that in most counties the typical JOBS participant enrolled in on-the-job training or work supplementation has at least 1 year of previous work experience and high levels of motivation. Also, in most counties, participants in these work activities tended to be more educated than JOBS participants in general.

While work activities are little used in JOBS, most administrators believe that they are effective tools that warrant expansion. Of the relatively small number of JOBS administrators currently using work supplementation, 70 percent rated it moderately or highly effective in moving AFDC recipients off welfare and 83 percent wanted to expand their use of it.[47] Of those using on-the-job training, 72 percent[48] thought it at least moderately effective in moving individuals off welfare and 88 percent expressed interest in expanding its use. Almost all counties used work experience, with 76 percent rating it as effective and 84 percent wishing to expand its use.

In sites we visited, JOBS participants had been placed with a range of employers and other community organizations. They performed community service work with a county planning office, the Indian Health Service, and a community food bank. In addition, through the work-supplementation program, participants had found jobs at a car dealership, a large health care provider, and a small doctor's office. In one site, the work-supplementation program helped refugees receiving AFDC gain employment at worksites where they could improve their English-language skills. According to the program supervisor, some of the refugees had been in English as a Second Language classes for several years but had not progressed to employment.

[47]As a result of the limited percentage of JOBS programs using work supplementation (8 percent), the sampling errors for these percentages are large—plus or minus 21 and 18 percentage points, respectively.

[48]The sampling error for this percentage is plus or minus 10 percentage points.

Of those program administrators not currently using on-the-job training, about 32 percent believed it to be moderately or highly effective in moving recipients off AFDC[49] and about three-fourths supported expansion. At least one-half of the administrators without work-supplementation programs also wanted to develop or expand these programs, although they were less sure about the effectiveness of such programs.

Evaluations of on-the-job training and work-supplementation programs have shown positive results in terms of increased employment and earnings for welfare recipients, but did not conclude that the programs produced welfare savings.[50] As discussed in chapter 2, evaluations of work-experience programs have shown that they offer productive work for participants and benefits to taxpayers, but do not generally produce increased earnings, employment rates, or welfare savings.[51]

Internal and External Factors Hinder Strong Employment Focus

While JOBS administrators acknowledged that they did not work enough with employers to help participants find jobs, they identified several administrative and programmatic factors that hindered their efforts. Further, administrators and researchers identified certain labor market conditions that hinder efforts to place AFDC recipients in jobs.

Insufficient Staff Hinder Links With Employers

Most administrators reported that insufficient staff hindered their efforts to work with employers to place JOBS participants in unsubsidized jobs or work activities. Local program administrators, researchers, and HHS officials have noted that working with employers to find job openings or to create and maintain work-activity positions requires a lot of time and effort on the part of JOBS workers. For example, to operate work-supplementation programs, AFDC grant dollars must be diverted to employers to subsidize wages. Many administrators believe that it is difficult to develop and administer a tracking system to operate such a program. In addition, staff must market their programs to employers and sometimes visit worksites to maintain contact or monitor operations.

[49]Of those not currently using on-the-job training, 47 percent believed they had no basis to judge its effectiveness. However, of those who did rate its effectiveness, about 61 percent believed it to be moderately or highly effective.

[50]See Howard S. Bloom, and others, The National JTPA Study—Overview: Impacts, Benefits, and Costs of Title II-A, Abt Associates Inc. (Bethesda, Maryland: 1994); Judith Gueron and Edward Pauly, From Welfare to Work; and What's Working (and What's Not): A Summary of Research on the Economic Impacts of Employment and Training Programs, Office of the Chief Economist, U.S. Department of Labor (Washington, D.C.: 1995).

[51]See Thomas Brock, David Butler, and David Long, Unpaid Work Experience.

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Economies may be achieved if many participants are placed at a single worksite, but we found that generally only one or two participants are placed with each employer.

Administrators believe that they need more staff to work with employers because current JOBS staff and resources are mainly devoted to participant intake and management of often heavy caseloads.[52] According to HHS, JOBS caseloads range from 30 to 400 participants per worker. Administrators we met explained that expansion of job-development and work activities would necessitate shifting current staff from intake and case management functions. They also noted that hiring additional staff is not an option where budgets are constrained.

Resource Constraints Affect Program Choices

While in some cases resource constraints may limit the number of JOBS staff, they may also affect administrators' and caseworkers' decisions about the activities in which they enroll participants. The study of JOBS programs in 10 states referred to earlier noted that the availability of education, training, and employment-related activities tends to drive the placement of participants.[53] For example, as a result of resource constraints, programs would often place participants in activities that were readily available or free of charge rather than create or purchase services that were deemed needed by participants.

We also found that funding constraints limited the use of on-the-job training. About one-half of the JOBS administrators cited insufficient funds and one-third cited the high costs of on-the-job training compared with other JOBS activities as a major or moderate hindrance to its expansion.[54] On-the-job training is sometimes more costly to a JOBS program than other activities because many of the educational or other activities in which participants are placed are funded by other providers or programs and do not require expenditures of JOBS funds. For example, a JOBS program may not pay for adult basic education or college courses funded by federal, state, or county providers.

[52]Participant intake involves orientation, appraisal, and assessment; case management involves assigning participants to activities, arranging supportive services, and monitoring their participation and progress.

[53]Irene Lurie and Jan Hagen, Implementing JOBS: Progress and Promise, p. 179.

[54]When programs did place participants in on-the-job training, it was often done through the community JTPA provider, thereby requiring no use of JOBS funds to subsidize the employers. However, like JOBS, JTPA on-the-job training slots and funding are limited.

Funding constraints also hinder the use of work supplementation, even though this form of employer subsidy is funded by AFDC grants instead of JOBS funds. An official in Texas told us that in states with low AFDC grants, the amount of money that can be diverted to the employer is not sufficient for a wage subsidy. For example, the average AFDC grant in Texas equals $159 a month, providing few dollars to subsidize wages.[55] In 1994, 31 state welfare agencies decided not to include work supplementation in the state JOBS plans they must submit to HHS for approval.[56] As a result, the local programs in these states were barred from operating work-supplementation programs.

Federal Performance Measurement System Does Not Promote Employment

The current federal JOBS participation and targeting requirements provide little incentive for states to redirect scarce resources to increase their focus on moving AFDC recipients into employment. The JOBS performance measurement system is process-oriented, based on the numbers and types of participants enrolled in activities, and does not include outcome measures, such as the portion of participants who become employed and leave welfare. While the participation requirements have played an important role in encouraging states to serve more participants, including the hard-to-serve, the ultimate goal of JOBS is to increase employment and reduce welfare dependence. Yet states are not required by HHS to report the total number of JOBS participants who find jobs each year and are not held accountable for the number of JOBS participants who become employed.[57]

Some program administrators and researchers have noted that programs can meet federal participation requirements by placing participants in readily available JOBS activities more easily and with less cost to their programs than finding them unsubsidized jobs or creating subsidized employment. Because program administrators can meet federal requirements without redirecting scarce resources to focus more on employment, they have little incentive to do so. JOBS programs may,

[55]Some states have obtained or applied for waivers from AFDC and JOBS policy to allow them to include the cash value of an AFDC recipient's Food Stamp benefit with the AFDC benefit to be diverted to an employer as a wage subsidy. This increases the dollar amount available to subsidize an individual's wages.

[56]States are required biennially to submit a JOBS plan to HHS.

[57]JOBS legislation directed HHS to recommend to the Congress by October 1993 JOBS performance standards that included outcome measures, such as increased earnings and reduced welfare dependence. While HHS has not made recommendations, it has reported to the Congress on related issues and is pursuing changes to the JOBS performance measurement system that will include outcomes. For more information, see Welfare to Work: Measuring Outcomes for JOBS Participants (GAO/HEHS-95-86, Apr. 17, 1995).

therefore, emphasize getting clients into program activities without also focusing on establishing links with employers to realize the ultimate goal of employment.

For example, at one site we visited, a woman had successfully completed several different training programs. Under the current performance system, this individual helps the program meet the federal requirements to receive its full share of federal funding. Yet she remained unemployed and on AFDC.

Labor Market Conditions Limit Efforts

Labor market realities also pose a range of problems for JOBS administrators as they attempt to move AFDC recipients into the workplace. Several factors are important in this regard.

Lack of Jobs

Administrators and research studies cite high unemployment and low job growth as hindering programs' efforts to get jobs for participants. Nearly three-fourths of local JOBS administrators identify current labor market conditions, which are outside their control, as a hindrance to their job-development efforts. Many counties operate JOBS in areas of high unemployment or negligible job growth. For example, in 1993, unemployment rates reached 8 percent or more in 30 percent of the nation's counties; job growth was 1.5 percent or less in one-half the nation's counties and negative in about one-third of the counties.

While some research has shown that the outlook for job growth nationwide over the next few years is encouraging,[58] in specific locations the number of job openings may not meet local needs. For example, a May 1993 survey of Milwaukee area employers identified about 12,000 full-time job openings, which represented only 20 percent of the jobs needed for the estimated 63,000 welfare recipients and unemployed persons seeking or expected to work. When part-time jobs were included, the number of available jobs represented 35 percent of the total jobs needed.[59]

Likewise, JOBS officials in Silicon Valley in California, where many once-booming high-tech computer companies are located, and other areas

[58]Rebecca Blank, "Outlook For the U.S. Labor Market and Prospects For Low-Wage Entry Jobs," Northwestern University, paper prepared for Urban Institute Conference (Washington, D.C.: 1994), p. 15.

[59]See John Pawasarat, "Survey of Job Openings in the Milwaukee Metropolitan Area: Week of May 24, 1993," Employment and Training Institute and Social Science Research Facility, University of Wisconsin-Milwaukee (Milwaukee: 1993).

in California believe that their JOBS participants and staff acting on their behalf operate at a distinct disadvantage because of the increase in competition for positions in general. They noted that they must operate their programs in areas where employers are often faced with a surplus of job applicants, especially for relatively unskilled, entry-level positions.

Lack of Employer Interest

Administrators we surveyed and spoke with emphasized that lack of employer interest also hindered the expansion of work activities. Administrators cited as one contributing factor a federal displacement restriction. Under work-supplementation and work-experience programs, participants may only be placed in positions newly created by employers—not positions that become vacant due to turnover. This prohibition is intended to protect workers from being displaced through layoffs and replaced by federally subsidized JOBS participants. About three-fourths of the administrators operating work-supplementation programs reported that this restriction hindered expansion of their programs[60] and about 46 percent of all administrators said that they probably or definitely would like to use work supplementation for existing positions also.

In addition, work-experience positions are restricted to sponsors who serve a public purpose, another restriction that about 72 percent of administrators would like to see changed, allowing them both more as well as a greater variety of employers with which to place participants to help them gain work experience. Like work-supplementation, work-experience positions are also subject to displacement restrictions. While most administrators did not believe that the displacement restriction was currently a factor hindering expansion, about one-half supported placing work-experience participants in existing positions. Administrators we spoke with thought that other workers and individuals could be protected without restricting work programs to new positions only.

Local administrators also cited other reasons. For example, for on-the-job training, the JOBS program and employers must generally enter into contracts covering the employment of participants, maintain timekeeping and payroll records subject to audit, develop individual training plans, establish qualitative measures of success, and assess the progress of participants in acquiring jobs skills. Some employers may feel that the wage subsidy they receive—up to one-half of participants' wages when training is completed—does not adequately compensate them for any

[60]The sampling error for this percentage is plus or minus 21 percentage points.

extra work they must do. In a work-experience program, while a participating employer gets an unpaid worker, the employer is not compensated for any supervision costs involved. Administrators we met cautioned that the number of available supervisors among employers places an upper limit on the expansion of work experience.

Administrators also cited employer concerns about welfare recipients being unprepared for work. Employers' perceptions may be skewed by unfavorable stereotypes or unsuccessful prior experiences. One study of a welfare-to-work program in an inner-city neighborhood noted that many of the participants who found jobs had problems keeping them for various reasons, including chronic lateness and misunderstandings with supervisors.[61] To overcome these perceptions and problems, program administrators told us that they often select their most capable participants for work activities.

Lack of Jobs That Support Families

While the lack of jobs is a problem in many areas, the low-wage work that is available to many AFDC recipients discourages their movement off AFDC. Our work in 1991 demonstrated that many single mothers will remain near or below the poverty line even if they work at full-time jobs.[62] More recently, we found that in 1993 the typical single mother with a low-wage job had more income than a comparable mother and family on AFDC, but was nevertheless still in poverty.[63]

Moreover, a low-wage worker may incur significant job-related costs, such as child care, which could make her family worse off financially than some AFDC families.[64] In addition, employment or increased earnings may affect her receipt of other forms of assistance. For example, the previously cited survey of several thousand AFDC recipients found that 60 percent of the respondents in Atlanta lived in public housing projects or other subsidized housing. As a result, their incentive to find jobs may be affected because

[61]See Toby Herr and Robert Halpern with Aimee Conrad, Changing What Counts: Re-Thinking the Journey Out of Welfare, Center for Urban Affairs and Policy Research, Northwestern University (Chicago: 1991).

[62]Mother-Only Families: Low Earning Will Keep Many Children in Poverty (GAO/HRD-94-177, Apr. 2, 1991).

[63]Under the expanded EITC provisions scheduled to take effect in 1996, a family with more than one child will be eligible for as much as a 40-percent credit on earnings up to $8,425 (in 1994 dollars).

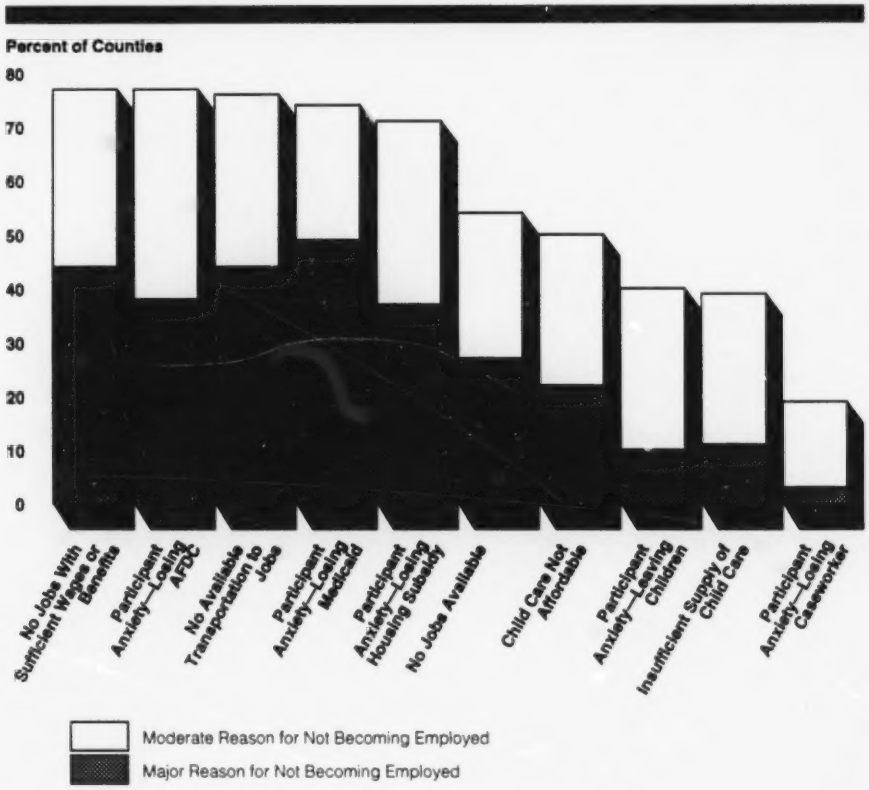
[64]Low-Income Families: Comparisons of Incomes of AFDC and Working Poor Families (GAO/T-HEHS-95-63, Jan. 25, 1995).

increased earnings may cause them to incur significantly increased housing costs.[65]

The belief and often the reality that a poor single mother can better provide for her family by being on welfare than by working at a low-wage job plays a critical role in discouraging AFDC recipients from looking for and accepting employment. As figure 3.4 shows, about three-fourths of the JOBS administrators cited the lack of jobs with sufficient wages and benefits as a moderate or major reason that their job-ready clients did not become employed. About 70 percent of administrators also noted that their participants did not become employed because of concerns about losing their AFDC benefits, Medicaid, or housing subsidies. By comparison, about one-half of administrators cited the lack of jobs as a major or moderate reason.

[65]See Gayle Hamilton and Thomas Brock, The JOBS Evaluation: Early Lessons from Seven Sites.

Figure 3.4: Administrators' Opinions on Reasons Job-Ready Participants Do Not Become Employed (Mid-1994)



One study found that 55 of 69 randomly selected current and former AFDC recipients interviewed in Tennessee and North Carolina said that they were not likely to accept a minimum-wage job that did not provide health insurance for them and their children. Most of the 55 thought that health insurance was a necessity and others said that they could not support their families with a minimum-wage job.[66]

Concerns about participants' abilities to support their families may affect the attitudes of administrators and staff in promoting employment as the ultimate program goal. For example, we found that while about 60 percent of local administrators said that they would definitely encourage a

[66]Vicki Grant, and others, A Study of the Relationship of Health Coverage to Welfare Dependency, p. 13.

30-year-old JOBS participant with one child to accept a minimum-wage job with health insurance benefits, only 26 percent would definitely encourage her to accept such a job without health benefits.

Recent studies of labor market conditions and the characteristics of welfare recipients indicate that employment training strategies to improve the earnings capacities of welfare recipients through education and training may not lead to earnings increases great enough to allow single parents to support themselves with their own earnings.[67] These studies demonstrate that the supports available to low-wage workers, for example, the EITC, expanded Medicaid coverage, child support payments, and child care subsidies, play an important role in helping families get jobs and remain employed. Our recent work on child care subsidies indicates that assistance with child care has a large effect on the likelihood that poor women will work. Thus, subsidies may help welfare recipients become employed and remain off the welfare rolls.[68]

[67]See by Gary Burtless "The Employment Prospects of Welfare Recipients," and by Rebecca Blank "Outlook for the U.S. Labor Market and Prospects for Low-Wage Entry Jobs" in The Work Alternative: Welfare Reform and the Realities of the Job Market, Demetra Nightingale and Robert Haveman, eds., The Urban Institute (Washington, D.C.: 1994). Also see Linda Levine, Jobs for Welfare Recipients, Congressional Research Service (Washington, D.C.: May 1994) and Thomas Gabe and Gene Falk, Welfare: Work (Dis)Incentives in the Welfare System, Congressional Research Service (Washington, D.C.: 1995).

[68]Our analysis, based on an empirical model, predicts that providing a full subsidy to mothers who pay for child care could increase the percentage of poor mothers who work from 29 to 44 percent, and that of near-poor mothers who work from 43 to 57 percent. Child Care: Child Care Subsidies Increase Likelihood That Low-Income Mothers Will Work (GAO/HEHS-95-20, Dec. 30, 1994).

Conclusions, Agency Comments, and Our Evaluation

The 104th Congress proposes to fundamentally change AFDC—the nation's largest cash assistance program for poor families with children. While there is general agreement that reforms should promote work, the Congress is considering the type and extent of work requirements to be linked to the receipt of cash assistance.

Whether AFDC continues as an entitlement program or is converted into a block grant, program administrators at the county and local levels will be concerned with moving large numbers of welfare recipients into employment. Our work highlights examples of programs that are well-focused on the ultimate goal of employment—stressing the importance of work for their participants and forging links with employers to identify jobs or create work opportunities where none is available.

However, these programs appear more the exception than the rule. Most programs appear to emphasize preparing participants for employment without also making strong efforts to help place their participants in jobs. While we acknowledge that some administrators face factors beyond their control that may limit program choices, including budget constraints and a lack of jobs, other programs facing similar constraints have taken steps that promote work more strongly for their participants. These steps include focusing staff and participants on the importance of employment, working more closely with employers to identify job openings, determining employers' needs, and helping match recipients' education and training activities to labor market demands.

Even programs that are well-focused on moving AFDC recipients into employment have faced challenges, however. For example, the Riverside County program strongly emphasized moving recipients quickly into jobs; yet after 3 years, about 40 percent of its participants remained on AFDC. Many who became employed remained on AFDC or, if off AFDC, continued to receive other forms of public aid, including Food Stamps or federal housing assistance. And some of those who left AFDC remained in poverty and at risk of returning to AFDC.

In those cases where unsubsidized employment is not available or the characteristics of participants do not make them readily employable, strategies like work supplementation or on-the-job training may help welfare recipients become employed. And where regular jobs or subsidized employment are not feasible, work-experience programs may serve as an alternative that promotes work for welfare recipients. Administrators generally supported the use of these work activities.

However, they believe that they need more flexibility to design work activities to meet the needs of their participants and local labor markets.

Agency Comments and Our Evaluation

In commenting on a draft of this report (see app. IV), HHS' Administration for Children and Families (ACF) disagreed with our conclusion that JOBS programs do not have a strong employment focus. ACF stated that we did not sufficiently recognize programs' use of job search or the extent of their job-development activities in evaluating their employment focus. It also stated that we did not acknowledge the many ways that programs could focus on employment and, instead, relied too much on programs' low use of subsidized employment and work experience to indicate a weak employment focus. We continue to believe, based on all the evidence we gathered, that many JOBS programs nationwide do not have a strong employment focus.

More specifically, ACF commented that the report does not recognize job search as an employment-focused activity and its extensive use in JOBS, thus, underrepresenting the employment efforts of JOBS programs. We acknowledge that programs can emphasize employment through their use of job-search activities for participants. As we had shown in figure 3.3, the participants enrolled in job search nationwide numbered 75,000 out of 586,600. In addition, we note that all programs use job search as an integral part of their programs and have added this information to the report.

We also found, however, that while job search plays a role in all programs, its use varies considerably. Only about one-third of programs employ an early job search strategy that encourages participants to look for work upon enrollment in JOBS, in effect letting the local labor market decide who is job-ready and employable. Those who fail to find work initially are then placed in job search again after participating in education and training. On the other hand, most programs do not expect all participants to look for work upon enrollment, instead limiting job-search activities until participants have received the education and training that the program determines they need to become employed.

We also note that the programs we highlighted for their strong job-placement efforts took steps beyond enrolling participants in job-search activities. These programs facilitate job-search activities by working closely with employers, through job-development efforts, to help participants find work. In addition, it is important that programs

encourage their participants to accept employment by, for example, helping all participants understand the work incentives available to them. We found, however, that most programs did not strongly emphasize job-development efforts or inform all participants of important work incentives.

In addition, ACF believes that we did not adequately recognize the extent of programs' connections with employers through their job development efforts. Our data show and the report acknowledges that almost all JOBS programs include some job-development activities, performed either by a program's own staff or through other organizations. We also found, though, that the extent of job development performed on behalf of JOBS participants, whether by the welfare agency itself or other organizations, is limited. For example, about 60 percent of program administrators reported that their program or its contractors arranged interviews for or marketed to employers only some or few of their job-ready participants. In addition, over one-half of the nation's program administrators believe that their program or its contractors did not do enough job development to meet their participants' needs.

ACF also noted that JOBS programs can take many approaches to help their participants become employed. In addition, ACF stated that the relatively low use of subsidized employment and work experience does not necessarily indicate a lack of employment focus. We agree that there are many ways that programs can focus on employment, as we demonstrated with the examples of different approaches in chapter 2. We also agree that programs do not have to use subsidized employment or work experience to be considered employment-focused. The Riverside County program, for example, does not emphasize these options. However, we found that most programs reported placement rates for their job-ready participants of 50 percent or less. Yet programs were not widely using existing subsidized employment or work-experience options to foster work among the many participants unable or unwilling to find work.

In addition to these issues, ACF expressed concern that our draft report promoted holding states accountable for the employment outcomes of their JOBS programs without noting the problems involved in such an approach. We acknowledge the challenges inherent in holding JOBS programs accountable for results. We maintain, however, that strong congressional interest in AFDC becoming more focused on helping recipients become employed, as well as requirements in the Government Performance Results Act that performance monitoring become more

outcome-oriented governmentwide, indicate that more attention to outcome measures and goals is appropriate.

ACF also suggested certain technical revisions to the draft, which we incorporated as appropriate.

Appendix I

Federal Rules Governing Work Activities for AFDC Recipients

Federal law and regulations govern the administration and funding of JOBS work activities: on-the-job training, work supplementation, community work experience, and alternative work experience. The table below identifies and compares selected features of these activities.

Table I.1: Comparison of Federal Rules for JOBS Work Activities

Feature	On-the-job training	Work supplementation	Community work experience	Alternative work experience
Payment to participant and employment status	Employee paycheck; hired on day 1	Employee paycheck; hired by 14th week	AFDC benefit check; not hired	AFDC benefit check; not hired
Payment to employer	JOBS funds for up to an average of 50 percent of wages	AFDC benefits for up to 100 percent of wages	None	None
Hours and months worked	Up to full-time for length of time appropriate for training	Up to full-time for 9 months	Limited hours, such that AFDC grant divided by hours is not less than minimum wage; generally limited to 9 months	Up to full-time
Position and employer	Any position with any employer	New position with any employer	New position with employer serving a public purpose	New position with employer serving a public purpose

Appendix II

Methodology for Survey of JOBS Administrators

To collect information on the extent to which JOBS programs were working with employers to help their participants find work and what factors hindered such efforts, we mailed a questionnaire to a random sample of county JOBS program administrators in May 1994. We did not verify the data collected through the questionnaire.

Sample Selection and Survey Response

Because most JOBS services are delivered and received at the county level, we selected a random sample of counties for our survey. We derived a nationwide listing of counties from 1990 census data and selected an overall sample of about 450 counties. Before selecting this sample, we stratified the counties into the following four groups:

1. Large urban counties—Counties comprising the 10 cities with the largest populations of female-headed families on public assistance.[69]

2. Metropolitan counties with a central city—Counties containing the central city for a metropolitan statistical area.

3. Metropolitan counties without a central city—Counties in metropolitan statistical areas that do not contain a central city.

4. Nonmetropolitan (rural) counties—Counties that are not part of a metropolitan statistical area.

We selected all the large urban counties and random samples of counties from each of the other three groups. Table II.1 shows the total number of counties and the number sampled in each stratum. After selecting the sample, we contacted states to determine the name, address, and telephone number of the JOBS program administrators responsible for programs in the sampled counties. We also identified 22 rural counties and one nonrural county in our sample that did not offer JOBS programs. Therefore, we adjusted our initial sample to exclude these counties.[70] We obtained responses from 93 percent of the program administrators for the counties in our adjusted sample (401 out of 430). We used these responses to produce national estimates for the JOBS program.

[69]These cities were included in the sample: Baltimore, Chicago (Cook and DuPage counties), Cleveland, Detroit, Houston (Fort Bend, Harris, and Montgomery counties), Los Angeles, Milwaukee (Milwaukee and Washington counties), New York (the boroughs of Brooklyn, Kings, New York, Queens, and Richmond), Philadelphia, and San Diego.

[70]According to JOBS regulations, states do not have to operate JOBS programs in sparsely populated areas as long as they meet other requirements of statewideness, including providing full programs in all metropolitan areas and at least minimal programs covering 95 percent of their AFDC population.

Table II.1: Response Rates, Overall and by Strata

Stratum	Type of county	Total number in universe, 1990	Total counties sampled	Adjusted sample	Number of counties responding	Response rate (percent)
1	Counties comprising 10 cities with most female-headed public assistance families	18	18	18	17	94
2	Counties in metropolitan areas with central cities	422	134	134	121	90
3	Counties in metropolitan areas without central cities	311	120	119	106	89
4	Counties in nonmetropolitan areas	2,390	181	159	157	99
Total	**All**	**3,141**	**453**	**430**	**401**	**93**

Sampling Errors for Estimates

Because the estimates from this survey are based on a sample, each is subject to sampling error. Except where noted, the maximum sampling errors for estimates in this report are plus or minus 7 percentage points. In addition, table II.2 shows the sampling errors for our estimates of the numbers of participants in various JOBS activities presented in figure 3.3. We computed these sampling errors at the 95-percent confidence level. Therefore, the chances are 95 out of 100 that the actual percentage or number being estimated falls within the range defined by the estimate, plus or minus the sampling error.

Table II.2: Sampling Errors for Estimates Presented in Figure 3.3

Figures in thousands

Activity	Estimated number of participants	Sampling error[a]
Postsecondary education	121	24
High school or general equivalency diploma	85	15
Job skills training	80	13
Job search	75	13
Job readiness	70	36
Other approved activity	65	21
Work experience	59	15
Adult basic or remedial education	56	9
English as a second language	19	6
On-the-job training	3	1
Work supplementation	1	<1

[a]These sampling errors were computed at the 95-percent confidence level. For example, the chances are 95 out of 100 that the actual number in postsecondary education falls within the range of 121,000, plus or minus 24,000.

Questionnaire With Responses

In this appendix, our questionnaire and summaries of the responses are presented. For each question, we show the unweighted actual number of respondents that answered that question and the weighted statistic for the nation. The percentages may not add to 100 due to rounding.

U.S. GENERAL ACCOUNTING OFFICE

Survey of JOBS Program Administrators

Welfare-to-Work Activities

At the request of the Congress, the U.S. General Accounting Office (GAO) is conducting a review of the ways that the JOBS program moves job-ready participants into employment. As part of this review, GAO will survey a randomly selected sample of county and local JOBS programs. The results from this survey will provide the Congress with information for the discussion of welfare reform. The general areas of review include program design and the activities of agencies in finding employment for participants.

We ask that the director, supervisor, or administrator of your JOBS program **in the county or local area named on the label above** be the individual primarily responsible for completing this questionnaire. If data for this specific area are not available, please respond for the larger area for which data are available. In that case, please indicate on this page which counties or local areas are included.

A pre-addressed business reply envelope is included for your convenience. Please return the completed questionnaire within two weeks of receipt to the:

U.S. General Accounting Office
Attn: Gale Harris
NGB/Income Security
441 G Street, N.W.
Washington, D.C. 20548

Before mailing your completed questionnaire, please make a copy that you can refer to should we call to ask for additional information.

If you have any questions, please call Gale Harris at (202) 512-7235 or Nora Perry at (202) 512-7261.

Thank you for your cooperation. Your participation in this survey will be greatly appreciated.

Please enter the name, title, and telephone number of the person who was primarily responsible for completing this questionnaire.

NAME:_____

TITLE:_____

TELEPHONE NUMBER: (_____)_____

Are you responding solely for the county or local area listed on the label above? n = 392

81% YES

19% NO

(Please list the counties or local areas for which you are responding.)

_____

_____

_____

I. DEFINITIONS

JOBS	The Job Opportunities and Basic Skills Training Program (JOBS) is the federal/state program that welfare agencies must operate for their Aid to Families with Dependent Children recipients. While your program may be known by another name, please respond for the program you operate in accord with federal JOBS requirements.
Job development and placement	These are agency activities that include identifying public or private employers' job openings, marketing JOBS participants to employers, securing job interviews for participants, and marketing the JOBS program and the employment services it may provide to employers and employer associations.
Job search	Job search is a JOBS activity performed on an individual or group basis. It includes counseling, training in job-seeking skills, and information dissemination. It may include the use of telephone banks to contact potential employers. Such activities may be referred to as Job Club.
Participants	AFDC recipients who participate in at least one hour of approved JOBS component activities.
Placement standard	This refers to a benchmark or target established for the number of JOBS participants entering employment.

II. PROGRAM GOALS AND DESIGN

1. **In general, when you prepare JOBS participants for employment, which of the following is most similar to your program's overriding goal?** (CHECK ONE RESPONSE.) n = 389

   a. 23% To get participants employed in any job, part- or full-time, even if the job might not allow them to move off AFDC

   b. 77% To prepare and place participants in employment that allows them to move off and stay off AFDC

2. **On average, about what is the starting wage for JOBS participants when they become employed?** (ENTER DOLLAR AMOUNT AND TIME PERIOD.) n = 352

   $ 5.00 per hr (median)
   (hr/wk/mo/yr)

   Range of responses: $ 4.25 - 16.00 per hour

3. **Is there a minimum starting wage level that your JOBS program targets for participants to earn at job entry?** (CHECK ONE RESPONSE.) n = 386

   a. 50% YES

   b. 50% NO (SKIP TO QUESTION 5.)

4. **What minimum starting wage level does your JOBS program usually target for participants?** (ENTER DOLLAR AMOUNT AND TIME PERIOD.) n = 190

   $ 5.00 per hr (mean and median)
   (hr/wk/mo/yr)

   Range of responses: $ 4.25 - 8.00 per hour

5. **Does your program usually encourage participants to conduct a job search at the points listed below?** (CHECK ONE RESPONSE FOR EACH.) n = 389

		YES	NO
a.	Before beginning any education, training, or work-related activity	37%	63%
b.	After the completion of an education activity	91%	9%
c.	After the completion of a training activity	97%	3%
d.	After the completion of a work-related activity	91%	9%
e.	After the completion of all activities in the participant's employability plan	94%	6%
f.	When the participant is not making satisfactory progress in education or training	65%	36%
g.	Whenever the participant chooses to	69%	32%

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6. **Does your JOBS program currently have any placement standards against which the (a) program itself or (b) individual caseworkers are judged?** (CHECK ONE RESPONSE FOR EACH.) n = 379

		YES	NO
a.	JOBS program itself	67%	34%
b.	Individual JOBS caseworkers	30%	70%

7. **About what proportion of participants are informed by your JOBS program about the benefits of the Earned Income Tax Credit?** (CHECK ONE RESPONSE.) n = 387

a.	52%	All or almost all
b.	16%	Most
c.	5%	About half
d.	17%	Some
e.	10%	Few or none

8. **About what proportion of participants, if any, are informed by your JOBS program about the benefits of AFDC earned income disregards?** (CHECK ONE RESPONSE.) n = 388

a.	67%	All or almost all
b.	14%	Most
c.	1%	About half
d.	12%	Some
e.	5%	Few or none

9. **About what proportion of participants, if any, are informed by your JOBS program about the benefits of AFDC child care disregards?** (CHECK ONE RESPONSE.) n = 385

a.	67%	All or almost all
b.	15%	Most
c.	2%	About half
d.	6%	Some
e.	9%	Few or none

10. **About what proportion of JOBS participants, if any, are informed by your program that transitional child care is available?** (CHECK ONE RESPONSE.) n = 388

a.	83%	All or almost all
b.	13%	Most
c.	1%	About half
d.	2%	Some
e.	<1%	Few or none

11. **About what proportion of JOBS participants, if any, are informed by your program that transitional medical assistance is available?** (CHECK ONE RESPONSE.) n = 388

a.	84%	All or almost all
b.	14%	Most
c.	1%	About half
d.	1%	Some
e.	1%	Few or none

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12. **For about what proportion of your JOBS participants does your program prepare a budget to demonstrate the package of benefits and assistance available to them when working?** (CHECK ONE RESPONSE.) n = 388

a.	18%	All or almost all
b.	21%	Most
c.	9%	About half
d.	23%	Some
e.	29%	Few or none

III. CONNECTIONS WITH EMPLOYERS

13. **While the welfare agency maintains overall responsibility for the JOBS program, who takes the lead in administering the day-to-day operation of JOBS locally?** (CHECK ONE RESPONSE.) n = 382

a.	60%	The Welfare (IV-A) Agency
b.	7%	JTPA/Private Industry Council
c.	6%	State Employment Service
d.	3%	Community-based organizations
e.	17%	A combination of the Welfare Agency, Employment Service and/or JTPA, education agencies etc.
f.	8%	Other (PLEASE SPECIFY.) _____

14. **Does the agency that takes the lead in administering the day-to-day operations of your local JOBS program also provide services to each of the following non-AFDC groups?** (CHECK ONE RESPONSE FOR EACH.) n = 387

		YES	NO
a.	Food stamp recipients not receiving AFDC benefits	71%	29%
b.	JTPA enrollees not receiving AFDC benefits	37%	63%
c.	State General Assistance or Relief recipients	41%	59%
d.	Other non-AFDC groups (PLEASE SPECIFY.) n = 95		

15. **Currently, of all job development and placement services for JOBS participants, about what percentage are PERFORMED by each of the following?** (ENTER PERCENTAGES; IF NONE, ENTER "0.") n = 358

		Estimated Percentage (means)
a.	Welfare (IV-A) Agency	32 %
b.	JTPA on non-reimbursable basis	9 %
c.	JTPA under financial contract	10 %
d.	The State Employment Service on non-reimbursable basis	9 %
e.	The State Employment Service under financial contract	16 %
f.	Community-based organizations on non-reimbursable basis	2 %
g.	Community-based organizations under financial contract	4 %
h.	Education or training providers on non-reimbursable basis	5 %
i.	Education or training providers under financial contract	3 %
j.	Other providers (PLEASE SPECIFY.) _____	5 %
		Total = 100 %

16. **For about how many, if any, of the participants your program considers prepared for work is your JOBS program or its contractors able to conduct the following activities?** (CHECK ONE RESPONSE FOR EACH.) n = 387

	All or almost all (1)	Most (2)	About half (3)	Some (4)	Few, if any (5)
a. Market an individual JOBS participant to employers	18%	13%	10%	37%	22%
b. Screen a JOBS participant to match him or her with particular employers' needs	25%	23%	9%	31%	12%
c. Provide a JOBS participant with current listings of job openings	45%	23%	6%	18%	8%
d. Arrange on-site interviews for a JOBS participant with potential employers	16%	14%	12%	38%	21%
e. Other activities (PLEASE SPECIFY.) n = 38	63%	37%			

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17. **How much emphasis, if any, does your program place upon each of the following when encouraging potential employers to consider JOBS participants?** (CHECK ONE RESPONSE FOR EACH.) n = 383

	Very great emphasis (1)	Great emphasis (2)	Moderate emphasis (3)	Some emphasis (4)	Little or no emphasis (5)
a. JOBS as a ready source of employees	16%	34%	22%	18%	11%
b. JOBS' capacity to screen and refer job-seekers	18%	34%	19%	17%	12%
c. JOBS' capacity to provide training that meets employers' needs	16%	24%	20%	22%	17%
d. Other (PLEASE SPECIFY.) n = 42	46%	43%	11%		

18. **Do you use each of the following ways to make employers aware of the services JOBS can provide?** (CHECK ONE RESPONSE FOR EACH.) n = 384

	YES	NO
a. Distributing notices/pamphlets to employers	57%	43%
b. Placing telephone calls to employers	83%	17%
c. Visiting employers	78%	22%
d. Visiting employer associations	60%	41%

19. **In which way do you most often make employers aware of the services JOBS can provide?** (CHECK ONE RESPONSE.) n = 376

a. 12%	Distributing notices/pamphlets to employers
b. 32%	Placing telephone calls to employers
c. 26%	Visiting employers
d. 7%	Visiting employer associations
e. 9%	Other (PLEASE SPECIFY.) _____

20. **Currently, about how often, if ever, does your JOBS program or its contractors work with each of the following to either IDENTIFY or CREATE employment opportunities?** (CHECK ONE RESPONSE FOR EACH.) n = 385

	Very often (1)	Often (2)	Sometimes (3)	Rarely, if ever (4)
a. Public-sector employers	25%	30%	34%	12%
b. Private non-profit employers	20%	34%	32%	14%
c. Private for profit employers	19%	28%	34%	19%
d. The Chamber of Commerce or other similar employer associations	9%	16%	38%	37%
e. JTPA Private Industry Council	29%	26%	24%	22%
f. Economic development agencies	10%	18%	30%	42%
g. Labor unions (public- or private-sector)	2%	6%	17%	76%
h. Others (PLEASE SPECIFY.) n = 13	40%	60%		

21. **How many JOBS staff, if any, are dedicated full-time and how many are dedicated part-time to job development activities?** (ENTER NUMBER OF STAFF; IF NONE, ENTER "0.") n = 281

1 (mean); 0 (median) Staff dedicated full-time

Range of responses: 0 - 70

1(mean and median) Staff dedicated part-time

Range of responses: 0 - 35

22. **About what percentage of a typical JOBS caseworker's time is spent on job development activities?** (ENTER PERCENTAGE; IF NONE, ENTER "0.") n = 181

13% (mean); 10% (median)

23. **During your most recently completed program year, what were the total Federal and State expenditures for your JOBS program, excluding child care costs?** (ENTER AMOUNT.) n = 162

$ about 170,000 (median)

24. **About what percentage of these Federal and State expenditures were spent for job development and placement services for your JOBS participants, including administrative costs?** (ENTER PERCENTAGE; IF NONE, ENTER "0.".) n = 186

13% (mean); 5% (median)

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25. **When did your county or local area begin operating its JOBS program?** (Enter month and year.)

_____ / 19 _____
(month) (year)

26. **During the past three years, about how many times did your program or its contractors perform each of the activities listed below?** (CHECK ONE RESPONSE FOR EACH.) n = 383

	More than three times (1)	Three times (2)	Two times (3)	One time (4)	Never (5)
a. Consult with the JTPA Private Industry Council to identify training that meets labor market needs	55%	9%	11%	7%	18%
b. Conduct or make use of labor market surveys to identify the types of jobs available now or in the future	48%	15%	7%	10%	20%
c. Design JOBS program activities around the education, skills, or experience necessary to meet labor market needs	60%	12%	10%	8%	11%
d. Evaluate the results of education/training	59%	12%	7%	9%	13%
e. Involve employers in the development or review of education/training offerings	29%	11%	10%	11%	40%
f. Other (PLEASE SPECIFY.) n = 8	100%				

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27. **During the past twelve months, has your program performed each of the activities listed below?** (CHECK ONE RESPONSE FOR EACH.) n = 391

	YES	NO
a. Contact employers or others to identify job openings	88%	12%
b. Market JOBS **participants** to employers or others	84%	16%
c. Market the JOBS **program** to employers or others	89%	11%
d. Screen participants to match them with individual employer's needs	82%	18%
e. Evaluate **participant-initiated** education/training programs to ensure that they prepare participants for available jobs	86%	14%
f. Evaluate all other education/training programs to ensure that they prepare participants for available jobs	82%	18%

28. **In your opinion, does your program or its contractors do more or less than enough of each of the following activities to meet the needs of JOBS participants?** (CHECK ONE RESPONSE FOR EACH.) n = 389

	Much more than enough (1)	More than enough (2)	Enough (3)	Less than enough (4)	Much less than enough (5)
a. Contact employers or others to identify job openings	4%	11%	33%	36%	16%
b. Market JOBS **participants** to employers or others	2%	13%	31%	42%	13%
c. Market the JOBS **program** to employers or others	2%	13%	33%	40%	13%
d. Screen participants to match them with individual employer's needs	3%	15%	41%	33%	8%
e. Evaluate **participant-initiated** education/training programs to ensure that they prepare participants for available jobs	5%	17%	55%	17%	6%
f. Evaluate all other education/training programs to ensure that they prepare participants for available jobs	3%	17%	50%	25%	6%
g. Other (PLEASE SPECIFY.) n = 15	11%	46%	40%	0%	3%

29. **How effective, if at all, is each of the means listed below in identifying employment opportunities for JOBS participants?** (CHECK ONE RESPONSE FOR EACH.) n = 390

	Highly effective (1)	Moderately effective (2)	Somewhat effective (3)	Of little or no effectiveness (4)
a. Caseworkers' personal knowledge	36%	38%	22%	3%
b. State Employment Service	16%	36%	29%	19%
c. Staff dedicated to identifying employment opportunities for participants	37%	33%	21%	9%
d. Participants' own job search	23%	43%	31%	4%
e. Up-to-date job listings at the JOBS program site	23%	32%	33%	12%
f. Marketing JOBS **participants** to employers	24%	35%	28%	14%
g. Marketing the JOBS **program** to employers	19%	36%	29%	16%
h. Other means (PLEASE SPECIFY.) n = 12	77%	23%		

30. **How much, if at all, does each of the following help or hinder your program in performing job development and placement activities?** (CHECK ONE RESPONSE FOR EACH.) n = 390

	Greatly helps (1)	Somewhat helps (2)	Neither helps nor hinders (3)	Somewhat hinders (4)	Greatly hinders (5)
a. Current level of financial resources	9%	14%	15%	29%	34%
b. Number of JOBS program staff	11%	9%	7%	30%	43%
c. Level and variety of staff skills	29%	24%	21%	18%	9%
d. Staff workload level	6%	9%	13%	36%	37%
e. Level of employer interest	12%	15%	28%	35%	10%
f. Activities of labor unions	<1%	2%	83%	8%	6%
g. Competition from other employment programs attempting to place their clients	<1%	4%	69%	23%	4%
h. Current labor market conditions	7%	11%	10%	36%	36%
i. Other (PLEASE SPECIFY.) n = 29	23%	8%	0%	24%	45%

IV. CREATION OF WORK OPPORTUNITIES

A. WORK SUPPLEMENTATION: Work supplementation/grant diversion is a JOBS component that allows the welfare agency to pay, or "divert," all or part of the AFDC grant to an employer to cover part of the costs of the wages paid to a JOBS participant. Federal law prohibits the use of work supplementation for established, unfilled positions. Any type of employers, public or private, may be involved. The JOBS participant is expected to be retained by the employer.

31. **Has your program had experience operating work supplementation/grant diversion as a welfare-to-work activity?** (CHECK ONE RESPONSE.) n = 375

    a. 6% YES, prior to JOBS only

    b. 8% YES, under JOBS only

    c. 5% YES, both prior to and under JOBS

    d. 82% NO

32. **Does your program currently have any JOBS participants in work supplementation components?** (CHECK ONE RESPONSE.) n = 376

    a. 8% YES

    b. 12% NO, but our program does provide work supplementation as a JOBS activity. (SKIP TO QUESTION 41.)

    c. 80% NO, we do not provide work supplementation as a JOBS activity. (SKIP TO QUESTION 42.)

33. **Are any of your work supplementation slots with employers of each of the following sizes?** (CHECK ONE RESPONSE FOR EACH.) n = 32

	YES	NO
a. Small (fewer than 50 employees)	100%	0%
b. Medium (50 - 500 employees)	70%	30%
c. Large (more than 500 employees)	24%	76%

34. **Which size of employer provides the largest number of your program's work supplementation slots?** (CHECK ONE RESPONSE.) n = 32

    a. 78% Small (fewer than 50 employees)

    b. 22% Medium (50 - 500 employees)

    c. 0% Large (more than 500 employees)

35. **Does each of the following types of employers provide work supplementation slots?** (CHECK ONE RESPONSE FOR EACH.) n = 33

	YES	NO
a. Local government	54%	46%
b. State government	35%	65%
c. Federal government	16%	84%
d. Private nonprofit	75%	25%
e. Private for profit	86%	14%

36. **Which type of employer provides the largest number of your program's work supplementation slots?** (CHECK ONE RESPONSE.) n = 32

    a. 19% Local government

    b. 7% State government

    c. 0% Federal government

    d. 2% Private nonprofit

    e. 73% Private for profit

37. **Typically, about how many JOBS participants are placed with a single employer in work supplementation slots at one time?** (ENTER NUMBER OF PARTICIPANTS.) n = 29

    2 (mean); 1 (median) participants per employer

    Range of responses: 1 - 20

38. **About what percentage of your JOBS participants placed in work supplementation activities have at least a high school diploma or GED?** (ENTER PERCENTAGE; IF NONE, ENTER "0.") n = 28

    86 % (mean); 90% (median)

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39. **How much prior work experience do participants typically have when placed in work supplementation?** (CHECK ONE RESPONSE.)
n = 30

a. 19% Less than 1 year

b. 58% 1 - 2 years

c. 23% More than 2 years

40. **In your opinion, how much motivation to work do participants typically have when placed in work supplementation?** (CHECK ONE RESPONSE.)
n = 29

a. 21% A very great amount

b. 38% A substantial amount

c. 23% A moderate amount

d. 17% Some amount

e. 0% Little or no amount

41. **For those employers who choose not to participate in the work supplementation/grant diversion program, how much, if at all, is each of the following a reason they do not participate?** (CHECK ONE RESPONSE FOR EACH.) n = 76

	A major reason (1)	A moderate reason (2)	A minor reason (3)	Not a reason (4)
a. The administrative requirements of work supplementation	32%	28%	12%	28%
b. The subsidy amount	11%	31%	14%	44%
c. The perception that JOBS participants may not be job-ready	38%	18%	24%	20%
d. Other (PLEASE SPECIFY.) n = 18	94%	6%		

42. **In your opinion, should work supplementation slots be developed for your program, or, if they already exist, should additional slots be developed for your program?** (CHECK ONE RESPONSE.) n = 353

a. 25% Definitely yes

b. 30% Probably yes

c. 26% Undecided

d. 14% Probably no

e. 5% Definitely no

43. **How much, if at all, is each of the following a reason why your JOBS program does not have any work supplementation/grant diversion slots or more slots than it currently has?** (CHECK ONE RESPONSE FOR EACH.)
n = 338

	A major reason (1)	A moderate reason (2)	A minor reason (3)	Not a reason (4)
a. Work supplementation is not an approved activity included in our state JOBS plan	54%	4%	4%	38%
b. Already have sufficient slots	2%	3%	2%	94%
c. Insufficient financial resources	24%	13%	10%	53%
d. Insufficient number of staff to develop or administer slots	37%	22%	8%	34%
e. Staff lack skills to develop or administer slots	10%	13%	18%	59%
f. Difficulty of starting and administering a wage pool	28%	13%	12%	47%
g. More costly per participant to develop or administer than other activities	24%	19%	15%	43%
h. Federal law which restricts use to new, unfilled positions	25%	15%	14%	46%
i. Lack of employer interest	21%	15%	18%	46%
j. Current labor market conditions	25%	19%	15%	42%
k. Insufficient number of appropriate JOBS participants to fill slots	14%	12%	16%	58%
l. Opposition to the use of subsidies to help welfare recipients become employed	6%	11%	15%	68%
m. Other (PLEASE SPECIFY.) n = 30	91%	9%		

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44. **Based on your program's experience with work supplementation/grant diversion, how effective, if at all, do you think work supplementation is in moving recipients off welfare?** (CHECK ONE RESPONSE.) n = 328

a. 78% No basis to judge

b. 7% Highly effective

c. 4% Moderately effective

d. 6% Somewhat effective

e. 5% Of little or no effectiveness

45. **In your opinion, how much, if at all, does the work supplementation/grant diversion subsidy increase or decrease the likelihood that employers will hire JOBS participants?** (CHECK ONE RESPONSE.) n = 332

a. 9% Greatly increases

b. 13% Somewhat increases

c. 8% Neither increases nor decreases

d. 1% Somewhat decreases

e. 1% Greatly decreases

f. 68% Don't know

46. **In general, do you think Federal law should be changed to allow the use of work supplementation for established, unfilled positions?** (CHECK ONE RESPONSE.) n = 345

a. 21% Definitely yes

b. 26% Probably yes

c. 37% Undecided

d. 12% Probably no

e. 5% Definitely no

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B. ON-THE-JOB TRAINING: On-the-job training (OJT) is a JOBS component that allows JOBS funds to be used to reimburse the training and supervision costs of an employer who hires a JOBS client. Federal law allows OJT participants to be placed in existing or new positions with any type of employer, public or private. The JOBS participant is to be retained as an employee.

47. **Has your program had experience operating OJT as a welfare-to-work activity?** (CHECK ONE RESPONSE.) n = 386

    a. 7% YES, prior to JOBS only

    b. 14% YES, under JOBS only

    c. 30% YES, both prior to and under JOBS

    d. 50% NO

48. **Does your program currently have any JOBS participants in OJT?** (CHECK ONE RESPONSE.) n = 384

    a. 23% YES

    b. 43% NO, but our program does provide OJT as a JOBS activity. (SKIP TO QUESTION 58.)

    c. 34% NO, we do not provide OJT as a JOBS activity. (SKIP TO QUESTION 59.)

49. **Typically, how are your OJT slots funded?** (CHECK ONE RESPONSE.) n = 112

    a. 16% JOBS funds only

    b. 45% JTPA funds only

    c. 37% Both JOBS and JTPA funds

    d. 3% Other (PLEASE SPECIFY.)_____

50. **Are any of your OJT slots with employers of each of the following sizes?** (CHECK ONE RESPONSE FOR EACH.) n = 106

	YES	NO
a. Small (fewer than 50 employees)	95%	5%
b. Medium (50 - 500 employees)	66%	35%
c. Large (more than 500 employees)	19%	81%

51. **Which size of employer provides the largest number of your program's OJT slots?** (CHECK ONE RESPONSE.) n = 112

    a. 79% Small (fewer than 50 employees)

    b. 21% Medium (50 - 500 employees)

    c. 1% Large (more than 500 employees)

52. **Does each of the following types of employers provide OJT slots?** (CHECK ONE RESPONSE FOR EACH.) n = 107

	YES	NO
a. Local government	45%	55%
b. State government	30%	70%
c. Federal government	16%	84%
d. Private nonprofit	68%	32%
e. Private for profit	92%	8%

53. **Which type of employer provides the largest number of your program's OJT slots?** (CHECK ONE RESPONSE.) n = 108

    a. 7% Local government

    b. 7% State government

    c. 0% Federal government

    d. 18% Private nonprofit

    e. 68% Private for profit

54. **Typically, about how many JOBS participants are placed with a single employer in OJT slots at one time?** (ENTER NUMBER OF PARTICIPANTS.) n = 97

    1 participants per employer (mean and median)

    Range of responses: 1 - 5

55. **About what percentage of your JOBS participants placed in OJT activities have at least a high school diploma or GED?** (ENTER PERCENTAGE; IF NONE, ENTER "0.") n = 104

79 % (mean); 90% (median)

56. **How much prior work experience do participants typically have when placed in OJT?** (CHECK ONE RESPONSE.) n = 106

a. 44% Less than 1 year

b. 41% 1 - 2 years

c. 15% More than 2 years

57. **In your opinion, how much motivation to work do participants typically have when placed in OJT?** (CHECK ONE RESPONSE.) n = 111

a. 21% A very great amount

b. 42% A substantial amount

c. 34% A moderate amount

d. 3% Some amount

e. 0% Little or no amount

58. **For those employers who choose not to participate in the OJT program, how much, if at all, is each of the following a reason they do not participate?** (CHECK ONE RESPONSE FOR EACH.) n = 218

	A major reason (1)	A moderate reason (2)	A minor reason (3)	Not a reason (4)
a. The administrative requirements of OJT	29%	36%	15%	20%
b. The reimbursement/subsidy amount	6%	26%	32%	36%
c. The perception that JOBS participants may not be job-ready	25%	36%	19%	20%
d. Other (PLEASE SPECIFY.) n = 32	71%	29%		

59. **In your opinion, should OJT slots be developed for your program, or, if they already exist, should additional slots be developed for your program?** (CHECK ONE RESPONSE.) n = 377

a. 46% Definitely yes

b. 33% Probably yes

c. 12% Undecided

d. 6% Probably no

e. 2% Definitely no

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60. **How much, if at all, is each of the following a reason why your JOBS program does not have any OJT slots or more slots than it currently has?** (CHECK ONE RESPONSE FOR EACH.) n = 370

	A major reason (1)	A moderate reason (2)	A minor reason (3)	Not a reason (4)
a. OJT is not an approved activity included in our state JOBS plan	18%	4%	3%	76%
b. Already have sufficient slots	6%	5%	7%	82%
c. Insufficient financial resources	33%	21%	14%	33%
d. Insufficient number of staff to develop or administer slots	35%	26%	16%	24%
e. Staff lack skills to develop or administer slots	11%	15%	21%	52%
f. More costly per participant to develop or administer than other activities	19%	16%	16%	48%
g. Lack of employer interest	14%	28%	24%	34%
h. Current labor market conditions	21%	25%	21%	34%
i. Insufficient number of appropriate JOBS participants to fill slots	13%	17%	21%	50%
j. Opposition to the use of subsidies to help welfare recipients become employed	5%	7%	20%	69%
k. Other (PLEASE SPECIFY.) n = 50	90%	10%		

61. **Based on your program's experience with OJT, how effective, if at all, do you think OJT is in moving recipients off welfare?** (CHECK ONE RESPONSE.) n = 375

a.	38%	No basis to judge
b.	20%	Highly effective
c.	22%	Moderately effective
d.	14%	Somewhat effective
e.	7%	Of little or no effectiveness

62. **In your opinion, how much, if at all, does the OJT subsidy increase or decrease the likelihood that employers will hire JOBS participants?** (CHECK ONE RESPONSE.) n = 374

a.	19%	Greatly increases
b.	41%	Somewhat increases
c.	8%	Neither increases nor decreases
d.	<1%	Somewhat decreases
e.	<1%	Greatly decreases
f.	32%	Don't know

C. WORK EXPERIENCE. Work Experience is a JOBS component that allows JOBS participants to gain work experience while receiving their AFDC grants. Federal law prohibits the use of work experience for established, unfilled positions. In addition, only employers serving a public purpose may be involved. Under one form, Community Work Experience (CWEP), the maximum number of hours that a participant may be required to work is equal to the family's monthly AFDC grant divided by the greater of the Federal or State minimum wage. This restriction does not apply to Alternative Work Experience Programs (AWEP) that may be designed and operated at state option.

63. **Has your program had experience in providing CWEP or other work experience activities as a welfare-to-work activity?** (CHECK ONE RESPONSE.) n = 386

a.	4%	YES, prior to JOBS only
b.	40%	YES, under JOBS only
c.	43%	YES, both prior to and under JOBS
d.	12%	NO

65. **Does your program <u>currently</u> have any JOBS participants in work experience?** (CHECK ONE RESPONSE.) n = 364

a.	29%	YES, CWEP only
b.	36%	YES, other work experience only
c.	26%	YES, both CWEP and other work experience
d.	9%	NO (SKIP TO QUESTION 76.)

64. **Does your program provide for CWEP or other work experience as a JOBS activity, whether or not any participants are currently in that activity?** (CHECK ONE RESPONSE.) n = 380

a.	26%	YES, CWEP only
b.	33%	YES, other work experience only
c.	36%	YES, both CWEP and other work experience
d.	6%	NO (SKIP TO QUESTION 77.)

66. **Are any of your CWEP or other type of work experience slots with employers of each of the following sizes?** (CHECK ONE RESPONSE FOR EACH.) n = 325

		YES	NO
a.	Small (fewer than 50 employees)	99%	1%
b.	Medium (50 - 500 employees)	70%	30%
c.	Large (more than 500 employees)	26%	74%

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67. **Which size of employer provides the largest number of your program's CWEP or other work experience slots?** (CHECK ONE RESPONSE.) n = 331

a.	69%	Small (fewer than 50 employees)
b.	26%	Medium (50 - 500 employees)
c.	5%	Large (more than 500 employees)

68. **Does each of the following types of employers provide either CWEP or other work experience slots?** (CHECK ONE RESPONSE FOR EACH.) n = 332

		YES	NO
a.	Local government	94%	6%
b.	State government	85%	15%
c.	Federal government	42%	58%
d.	Private nonprofit	89%	11%
e.	Private for profit	28%	72%

69. **Which type of employer provides the largest number of your program's CWEP or other work experience slots?** (CHECK ONE RESPONSE.) n = 330

a.	39%	Local government
b.	31%	State government
c.	1%	Federal government
d.	22%	Private nonprofit
e.	7%	Private for profit

70. **Typically, about how many JOBS participants are placed with a single employer in either CWEP or other work experience slots at one time?** (ENTER NUMBER OF PARTICIPANTS.) n = 285

3 (mean); 2 (median) participants per employer

Range of responses: 1 - 130

71. **About what percentage of your JOBS participants placed in either CWEP or other work experiences have at least a high school diploma or GED?** (ENTER PERCENTAGE; IF NONE, ENTER "0.") n = 305

71% (mean); 75% (median)

72. **How much prior work experience do participants typically have when placed in either CWEP or other work experience slots?** (CHECK ONE RESPONSE.) n = 328

a.	52%	Less than 1 year
b.	31%	1 - 2 years
c.	17%	More than 2 years

73. **In your opinion, how much motivation to work do participants typically have when placed in either CWEP or other work experiences?** (CHECK ONE RESPONSE.) n = 334

a.	9%	A very great amount
b.	23%	A substantial amount
c.	36%	A moderate amount
d.	28%	Some amount
e.	3%	Little or no amount

74. **How many weeks does either a CWEP or other work experience activity in your JOBS program typically last?** (ENTER NUMBER OF WEEKS.) n = 288

19 (mean); 16 (median) weeks

Range of responses: 1 - 52

75. **How many hours per week does either a CWEP or other work experience activity in your JOBS program typically last?** (ENTER NUMBER OF HOURS.) n = 297

22 (mean); 20 (median) hours per week

Range of responses: 8 - 40

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76. **For those employers who choose not to participate in the CWEP/other work experience program, how much, if at all, is each of the following a reason they do not participate?** (CHECK ONE RESPONSE FOR EACH.) n = 357

	A major reason (1)	A moderate reason (2)	A minor reason (3)	Not a reason (4)
a. The administrative requirements of CWEP or work experience	7%	22%	29%	42%
b. The lack of reimbursement for supervising participants	8%	18%	27%	48%
c. Concerns about the time and staff needed to supervise participants	24%	36%	24%	15%
d. Concerns about workers' compensation liability	35%	18%	20%	27%
e. Concerns about union opposition to the program	8%	10%	19%	63%
f. The perception that JOBS participants lack the skills and work habits needed to perform	19%	34%	31%	16%
g. Other (PLEASE SPECIFY.) n =35	67%	33%		

77. **In your opinion, should CWEP/other work experience slots be developed for your program, or, if they already exist, should additional slots be developed for your program?** (CHECK ONE RESPONSE.) n = 381

a. 54% Definitely yes

b. 28% Probably yes

c. 7% Undecided

d. 10% Probably no

e. 2% Definitely no

78. **How much, if at all, is each of the following a reason why your JOBS program does not have any CWEP/other work experience slots or more slots than it currently has?** (CHECK ONE RESPONSE FOR EACH.) n = 367

	A major reason (1)	A moderate reason (2)	A minor reason (3)	Not a reason (4)
a. CWEP is not an approved activity included in our state JOBS plan	15%	1%	2%	82%
b. Other work experience is not an approved activity included in our state JOBS plan	10%	3%	1%	87%
c. Already have sufficient slots	8%	13%	14%	65%
d. Insufficient financial resources	14%	13%	11%	62%
e. Insufficient number of staff to develop or administer slots	32%	24%	18%	26%
f. Staff lack skills to develop or administer slots	4%	8%	16%	72%
g. More costly per participant to develop or administer than other activities	5%	4%	18%	72%
h. Federal law restricting use to new, unfilled positions	9%	11%	13%	67%
i. Lack of employer interest	9%	28%	24%	40%
j. Insufficient number of appropriate JOBS participants to fill slots	14%	22%	21%	44%
k. Inability to identify meaningful work opportunities	6%	16%	27%	51%
l. Opposition of unions to the use of work experience	3%	5%	12%	80%
m. Opposition of welfare advocates to the use of work experience	3%	3%	10%	83%
n. Opposition of the JOBS program to the use of work experience	<1%	2%	4%	93%
o. Other (PLEASE SPECIFY.) n = 38	76%	24%		

79. **Based on your program experience with CWEP or other work experience, how effective, if at all, do you think CWEP or other work experience is in moving recipients off welfare?** (CHECK ONE RESPONSE.) n = 386

a.	6%	No basis to judge
b.	33%	Highly effective
c.	39%	Moderately effective
d.	17%	Somewhat effective
e.	6%	Of little or no effectiveness

80. **In general, do you think Federal law should be changed to allow the use of CWEP or other work experience for established, unfilled positions?** (CHECK ONE RESPONSE.) n = 387

a.	22%	Definitely yes
b.	29%	Probably yes
c.	17%	Undecided
d.	18%	Probably no
e.	14%	Definitely no

81. **In general, do you think Federal law should be changed to allow CWEP or other work experience slots with private employers who serve OTHER THAN a public purpose?** (CHECK ONE RESPONSE.) n = 385

a.	34%	Definitely yes
b.	38%	Probably yes
c.	11%	Undecided
d.	9%	Probably no
e.	8%	Definitely no

D. Targeted Jobs Tax Credit

82. To what extent do you promote the Targeted Jobs Tax Credit as a benefit to employers? (CHECK ONE RESPONSE.) n = 386

a.	14%	To a very great extent
b.	22%	To a great extent
c.	21%	To a moderate extent
d.	22%	To some extent
e.	22%	To little or no extent

83. In your opinion, how much, if at all, does the Targeted Jobs Tax Credit increase or decrease the likelihood that employers will hire JOBS participants? (CHECK ONE RESPONSE.) n = 385

a.	9%	Greatly increases
b.	47%	Somewhat increases
c.	21%	Neither increases nor decreases
d.	1%	Somewhat decreases
e.	1%	Greatly decreases
f.	22%	Don't know

V. AFDC UNEMPLOYED PARENTS IN JOBS

84. During Federal fiscal year 1994, how easy or difficult will it be for your JOBS program to meet the goal of placing at least 40 percent of its AFDC Unemployed Parents in work-related components? (CHECK ONE RESPONSE.) n = 389

a.	3%	Very easy
b.	8%	Moderately easy
c.	7%	Somewhat easy
d.	5%	Neither easy nor difficult
e.	23%	Somewhat difficult
f.	17%	Moderately difficult
g.	37%	Very difficult

85 **How much, if at all, does each of the following items help or hinder your program in placing at least 40 percent of its AFDC Unemployed Parents in either work supplementation, OJT, work experience, or work programs?** (CHECK ONE RESPONSE FOR EACH.) n = 387

		Greatly helps (1)	Somewhat helps (2)	Neither helps nor hinders (3)	Somewhat hinders (4)	Greatly hinders (5)
a.	Current level of financial resources	2%	5%	39%	29%	24%
b.	Number of JOBS program staff	2%	5%	21%	32%	39%
c.	Level and variety of staff skills	18%	17%	43%	17%	5%
d.	Staff workload level	2%	5%	18%	35%	40%
e.	Level of employer interest	8%	11%	32%	39%	10%
f.	Activities of labor unions	<1%	1%	86%	8%	5%
g.	Job readiness of UP participants	4%	10%	15%	38%	34%
h.	Current labor market conditions	4%	7%	22%	36%	31%
i.	Other (PLEASE SPECIFY.) n = 78	12%	0%	0%	10%	79%

VI. MOVING PARTICIPANTS INTO EMPLOYMENT

86. **On what date did your most recently completed program year end?** (ENTER MONTH, DAY, AND YEAR.)

_____ / _____ / 199____
(month) (day) (year)

87. **During your most recently completed program year, of all the participants your program considered prepared for work, about what percentage became employed either through their own or the JOBS program's efforts** (ENTER PERCENTAGE; IF NONE, ENTER "0.") n = 310

41% (mean); 31% (median)

88. **In your opinion, how much, if at all, is each of the following items a reason why participants do not become employed when they are prepared for work?** (CHECK ONE RESPONSE FOR EACH.) n = 389

	A major reason (1)	A moderate reason (2)	A minor reason (3)	Not a reason (4)
a. No jobs are available at a sufficient wage or benefit level	44%	32%	16%	7%
b. No jobs are available	26%	27%	26%	21%
c. Transportation is not available to where jobs are	44%	31%	21%	4%
d. Supply of child care is insufficient	10%	27%	34%	29%
e. Child care is not affordable	22%	28%	23%	27%
f. JOBS participants are anxious about leaving their children	10%	30%	43%	17%
g. JOBS participants are anxious about losing Medicaid	49%	25%	19%	7%
h. JOBS participants are anxious about losing AFDC benefits	38%	39%	19%	4%
i. JOBS participants are anxious about losing subsidized housing assistance	37%	33%	23%	7%
j. JOBS participants are anxious about losing caseworker support	3%	16%	43%	39%
k. Other (PLEASE SPECIFY.) n = 44	83%	17%		

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89. **Of your current participants, about what percentage had at least a high school diploma or GED when they began the JOBS program?** (ENTER PERCENTAGE; IF NONE, ENTER "0.") n = 355

53% (mean); 50% (median)

90. **Of your current participants, about what percentage began JOBS with limited English proficiency?** (ENTER PERCENTAGE; IF NONE, ENTER "0.") n = 359

9% (mean); 1% (median)

91. **Of your current participants, about what percentage are either (a) exempt or mandatory participants who enrolled voluntarily or (b) mandatories who did not volunteer?** (ENTER PERCENTAGES; IF NONE, ENTER "0.") n = 361

	(means)
a. Exempt or mandatory participants who enrolled voluntarily	33 %
b. Mandatories who did not volunteer	63 %
Total =	100 %

92. **In a typical month during your current program year, how many adults receive AFDC Basic and AFDC Unemployed Parent benefits in your county or local area?** (ENTER NUMBERS; IF NONE, ENTER "0.") n = 231

(means)

1,698 AFDC Basic adults ☐ Don't know

195 AFDC Unemployed Parent adults ☐ Don't know

93. **In a typical month during your current program year, about how many JOBS participants do you have in each of the following activities?** (ENTER NUMBERS; IF NONE, ENTER "0.") n = 352

	(means)
a. High school or GED Range of responses: 0 - 2,400	35
b. Adult basic or remedial education Range of responses: 0 - 6,495	24
c. English as a second language Range of responses: 0 - 5,800	8
d. Post-secondary education Range of responses: 0 - 8,900	49
e. Job skills classroom training Range of responses: 0 - 7,100	34
f. Job readiness Range of responses: 0 - 1,215	30
g. Job search (group or individual) Range of responses: 0 - 3,782	31
h. On-the-job training (OJT) Range of responses: 0 - 100	2
i. Work supplementation/grant diversion Range of responses: 0 - 100	1
j. Community work experience (CWEP) Range of responses: 0 - 1,300	18
k. Other unpaid work experience Range of responses: 0 - 600	8
l. Other approved activity Range of responses: 0 - 1,632	29
m. Total AFDC recipients in at least one activity Range of responses: 0 - 25,600	250

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94. **Consider an AFDC mother who begins JOBS with the following characteristics:**
- **no high school diploma or GED**
- **low literacy,**
- **30 years of age, and**
- **no recent work experience.**

Would your program be more likely to first (a) encourage her to conduct a job search or (b) schedule her for an educational activity? (CHECK ONE RESPONSE.) n = 385

a.	3%	Encourage her to conduct a job search
b.	80%	Schedule her for an educational activity
c.	17%	Other (PLEASE SPECIFY.)

95. **If this woman had recent work experience, would your program be more likely to (a) encourage her to conduct a job search or (b) schedule her for an educational activity?** (CHECK ONE RESPONSE.) n = 384

a.	34%	Encourage her to conduct a job search
b.	44%	Schedule her for an educational activity
c.	22%	Other (PLEASE SPECIFY.)

96. **Now, consider an AFDC mother who begins JOBS with the following characteristics:**
- **with high school diploma or GED,**
- **30 years of age, and**
- **no recent work experience.**

Would your program be more likely to first (a) encourage her to conduct a job search or (b) schedule her for an educational or training activity? (CHECK ONE RESPONSE.) n = 379

a.	26%	Encourage her to conduct a job search
b.	45%	Schedule her for an educational or training activity
c.	29%	Other (PLEASE SPECIFY.)

97. **If this woman had recent work experience, would your program be more likely to (a) encourage her to conduct a job search or (b) schedule her for an educational or training activity?** (CHECK ONE RESPONSE.) n = 382

a.	75%	Encourage her to conduct a job search
b.	9%	Schedule her for an educational or training activity
c.	16%	Other (PLEASE SPECIFY.)

98. **In general, if a 30-year-old JOBS participant with one child is offered a minimum wage job WITHOUT health insurance, would you encourage her to accept it?** (CHECK ONE RESPONSE.)
n = 391

a. 26% Definitely yes

b. 37% Probably yes

c. 17% Uncertain

d. 15% Probably no

e. 6% Definitely no

99. **In general, if a 30-year-old JOBS participant with one child is offered a minimum wage job WITH health insurance, would you encourage her to accept it?** (CHECK ONE RESPONSE.) n = 390

a. 58% Definitely yes

b. 30% Probably yes

c. 8% Uncertain

d. 3% Probably no

e. 1% Definitely no

100. **Do you have any additional comments about the JOBS program or efforts to place participants in work-related activities? Please tell us if you have innovative efforts underway to create jobs for welfare recipients or other low-income families.**
n = 185

THANK YOU FOR PARTICIPATING!

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Comments From the Administration for Children and Families

DEPARTMENT OF HEALTH & HUMAN SERVICES

ADMINISTRATION FOR CHILDREN AND FAMILIES
Office of the Assistant Secretary, Suite 600
370 L'Enfant Promenade, S.W.
Washington, D.C. 20447

APR 26 1995

Ms. Jane L. Ross
Issue Area Director
Income Security Issues
United States General
Accounting Office
Washington, DC 20548

Dear Ms. Ross:

Enclosed are the Administration for Children and Families' comments on your draft report, "Welfare to Work: Most AFDC Training Programs Not Emphasizing Job Placement." They also reflect comments from the Assistant Secretary of Planning and Evaluation. The comments represent our preliminary views and are subject to reevaluation when the final version of this report is received.

Sincerely yours,

Mary Jo Bane

Mary Jo Bane
Assistant Secretary
for Children and Families

Enclosure

COMMENTS OF THE ADMINISTRATION FOR CHILDREN AND FAMILIES ON THE U.S. GENERAL ACCOUNTING OFFICE'S REPORT, Welfare to Work: Most AFDC Training Programs Not Emphasizing Job Placement (GAO/HEHS-95-113)

General Comments

This report reiterates previous GAO report findings that JOBS does not have a strong enough employment focus. However, we do not believe this conclusion is justified. First, the report is somewhat selective in deciding which survey results to present; some important information indicating major ways in which JOBS programs are focused on employment is never discussed in the main text, but buried in the appendices. Likewise, some critical information included in the main body of the report is omitted from the executive summary. Second, we believe that some of the report's conclusions do not follow from the findings. A major flaw is that the report does not recognize that job search -- a component used very extensively in JOBS programs -- is an employment-focused job placement activity. In failing to recognize this, the report greatly under-represents the job placement and employment efforts of States. Following is a more specific discussion of some of our concerns.

- Low levels of participation in selected JOBS component activities do not mean that the JOBS program fails to focus on employment. All JOBS component activities can have important impacts on employment. The Family Support Act gave States a great deal of flexibility to design their own JOBS programs. Thus, there is considerable variety in the way States seek to achieve their employment goals.

  Job search activities, in particular, help applicants and recipients find immediate employment. The data on p. 82 indicate how common it is among States to employ job search requirements during JOBS transitions. Clearly, States see education and training as intermediate steps, with employment as the ultimate goal.

- The examples of employment-focused programs included in the report are examples only. We agree that many States initially chose to focus strongly on education activities. However, more recently, the Riverside and San Jose (CET) results have generated new interest in approaches which focus on more immediate ties to employment, and we have actively promoted these models with States.

  We have also promoted and marketed a number of other programs that focus on employment -- including programs in Wisconsin, Utah, and Oregon. The program in Kenosha, Wisconsin, promotes a labor market attachment model. Utah's unemployed parent model emphasizes job search, skills training, adult education, and work with the goal of

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with strengthening community partnerships in very rural areas, concentrating services "up front" at intake to all applicants, engaging clients in detailed financial planning, and weaving high expectation of clients throughout all its activities. It markets the benefits of employment over welfare and helps divert applicants from becoming welfare recipients in the first place.

A substantial number of States have visited, or are planning to visit, Riverside and Kenosha and have made or are considering making changes to their programs based on these models.

- One of GAO's longstanding criticisms is that JOBS agencies have inadequate relationships with employers. This report points out that JOBS program administrators would like to do more in this area. At the same time, however, administrators indicate that their programs have frequent interactions with employers -- particularly by way of telephone calls and meetings. The data also indicate that JOBS programs work extensively with other agencies which have direct employer connections for job development and placement services and that they consult frequently with respect to labor market opportunities. Taken together this information suggests both that JOBS programs have an appropriate employment focus and that they coordinate appropriately with other employment and training agencies to prevent duplication of services and employer burnout. We do not believe it appropriate to criticize JOBS programs because they do not always engage directly in job placement and development activities.

- While many JOBS programs report less than a 50 percent employment rate, the employment rates do not necessarily reflect a lack of employment focus; employment levels might be depressed by a number of factors including poor local labor market conditions or a poor match between the skills of welfare recipients and the needs of the local labor market.

- Likewise, the relatively low use of work experience and subsidized employment programs does not necessarily indicate a lack of employment focus. Responses of the JOBS program administrators show that many feel there are a number of significant barriers to the utilization of these activities, and they suggest that many have misgivings about their feasibility and cost-effectiveness. It is important that the executive summary give adequate prominence to these concerns, as well as the effects of: 1) resource constraints faced by JOBS administrators; 2) the lack of employer interest; and 3) problems in the low-wage labor market.

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- Relatedly, the executive summary indicates that employment-focused approaches show promise in promoting work. However, the evidence provided in the report is limited and, to some extent, mixed. It is important that the executive summary present a more complete and balanced view of the status of research and of the research implications. It should be more explicit about the lack of rigorous evaluation for some of the program examples discussed, the lack of positive findings for at least one of the work experience programs, and the dangers associated with making generalizations about the national JOBS program from the experience of limited programs serving a modest subsection of the AFDC population within a particular geographic location.

- In addition, while many administrators responded that they do not do enough to identify job openings or to market participants to employers, they also cite significant funding and staffing issues which are barriers to such activity. Thus, to some extent, they might feel that they would like to improve in a number of areas. Their responses do not indicate that the relative focus on employment activities is low.

- Finally, the report pushes to use employment-based outcomes to evaluate the performance of JOBS. However, the report should also mention the downside of this approach: that performance on outcome measures has not been shown to be related to program effectiveness, that factors other than the program (such as the economy) can greatly influence these rates, and that using outcomes can lead to unintended consequences (such as creaming).

Major Contributors

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Related GAO Products

Welfare to Work: Participants' Characteristics and Services Provided in JOBS (GAO-HEHS-95-93, May 2, 1995).

Welfare to Work: Measuring Outcomes for JOBS Participants (GAO/HEHS-95-86, Apr. 17, 1995).

Child Care: Child Care Subsidies Increase Likelihood That Low-Income Mothers Will Work (GAO/HEHS-95-20, Dec. 30, 1994).

Welfare to Work: Current AFDC Program Not Sufficiently Focused on Employment (GAO/HEHS-95-28, Dec. 19, 1994).

Child Care: Current System Could Undermine Goals of Welfare Reform (GAO/T-HEHS-94-238, Sept. 20, 1994).

Welfare to Work: JOBS Automated Systems Do Not Focus on Program's Employment Objective (GAO/AIMD-94-44, June 8, 1994).

Families on Welfare: Sharp Rise in Never-Married Women Reflects Societal Trend (GAO/HEHS-94-92, May 31, 1994).

Families on Welfare: Teenage Mothers Least Likely to Become Self-Sufficient (GAO/HEHS-94-115, May 31, 1994).

Families on Welfare: Focus on Teenage Mothers Could Enhance Welfare Reform Efforts (GAO/HEHS-94-112, May 31, 1994).

Child Care: Working Poor and Welfare Recipients Face Service Gaps (GAO/HEHS-94-87, May 13, 1994).

Multiple Employment and Training Programs: Major Overhaul Is Needed (GAO/T-HEHS-94-109, Mar. 3, 1994).

Welfare to Work: States Move Unevenly to Serve Teen Parents in JOBS (GAO/HRD-93-74, Jul. 7, 1993).

Welfare to Work: JOBS Participation Rate Data Unreliable for Assessing States' Performance (GAO/HRD-93-73, May 5, 1993).

Welfare to Work: States Begin JOBS, but Fiscal and Other Problems May Impede Their Progress (GAO/HRD-91-106, Sept. 27, 1991).

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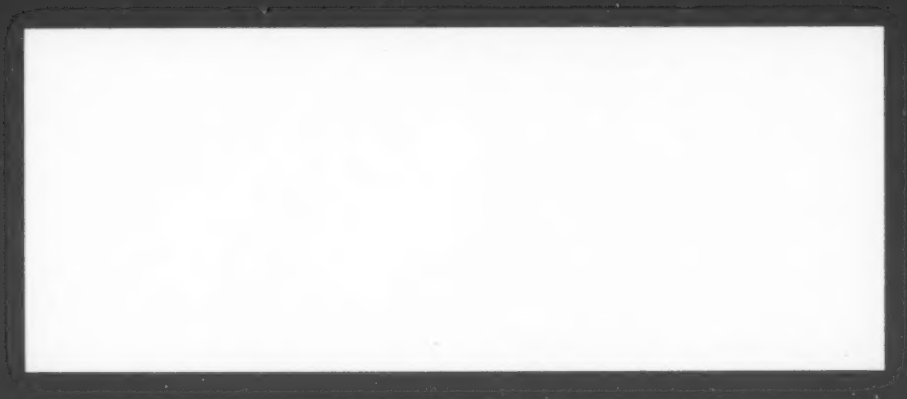

BEST COPY AVAILABLE